



OUTLOOK

Ontario Tourism Marketing Partnership Corporation | 2004–2005 Marketing Program

Greetings

A Message from the Chair



Welcome to *Marketing Outlook* the Ontario Tourism Marketing Partnership Corporation's (OTMPC's) marketing program for 2004–2005. This document was developed following extensive consultations held at a series of Partnership Forums in communities across Ontario with more than 600 tourism stakeholders. It has also been reviewed by the OTMPC Board and our industry committees.

In 2003 the tourism sector was confronted with huge challenges. Just as the industry was beginning to show signs of recovery from September 11, 2001, Ontario faced a slowing U.S. economy, the U.S.-Iraq War, airline bankruptcies, Severe Acute Respiratory Syndrome (SARS), West Nile, Mad Cow disease and border security issues.

Never before have we seen our industry rally and work together to develop partnerships under such difficult circumstances.

The OTMPC worked with the Ministry of Tourism and Recreation (MTR) on developing a major tourism recovery program and has implemented new aggressive retail-based marketing partnerships with a heavy emphasis on the domestic market to regain tourism business in the short term.

This document reflects market trends and opportunities but also responds effectively to the interests of Ontario's tourism industry operators. It highlights some of our key successes in 2003, many of which strongly illustrate the benefits of partner-oriented marketing. In just four years, the OTMPC has increased its partnership involvement in all program areas including advertising, product development, trade and media relations and event marketing.

What is most impressive is the remarkable growth in investment by the tourism industry totalling \$15.4 million in 2002–2003. This commitment is a major accomplishment and indicates industry's confidence in the OTMPC strategies and effectiveness as a tourism marketing organization.

On behalf of the board of directors, I encourage the tourism sector to use this marketing program document. We welcome your input, your participation and the opportunity to build our businesses together.

Anne Marshall
Chair, Ontario Tourism Marketing Partnership Corporation
Director Sales and Marketing
Elmhirst's Resort
Keene, Ontario

A Message from the President and CEO



Over the past decade, tourism has become one of the most competitive industries in the world. This is particularly evident in Ontario, and its key markets where other tourism organizations attempt to lure our customers to other destinations. The OTMPC was created in response to this trend. In fact, its conception was based on industry recommendations to the province for a more aggressive and collaborative tourism marketing strategy based on industry partnerships.

In 2004–2005, we will continue to deal with the economic impact resulting from the many challenges and issues that confronted the tourism sector in 2003. We all learned how sensitive our sector is to world events following September 11, 2001 and we had this reaffirmed in 2003 following SARS and the U.S.-Iraq War. We have learned that demographic changes and world political events can affect our strategies. We must be prepared as an industry to respond to these challenges and have a degree of flexibility so that we can adjust our programs if required.

In response to these new marketing challenges, our research indicates that 2004–2005 will be another year of rebuilding our markets. It will become increasingly vital to build the Ontario brand and to create a compelling reason for tourists to visit Ontario year-round. It is our intention to work with the tourism industry to further strengthen the domestic market, regain U.S. business and build key relationships in the overseas markets.

The OTMPC is now responsible for marketing Northern Ontario. A new Northern Tourism Marketing Committee has been established. A new northern OTMPC office has been opened and there is now northern representation on the OTMPC board. These steps will help us to better promote Ontario as a unique four-season destination offering new and exciting experiences to a wider range of consumers.

On behalf of OTMPC and our staff, I want to thank our industry partners and colleagues for their efforts in building partnerships in what has been an extremely difficult year. We look forward to working together in 2004–2005 to regain market share, visitation, tourism expenditures and profits for Ontario's tourism sector.

Bill Kenny
(A) President and CEO,
Ontario Tourism Marketing Partnership Corporation



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Learn more about how the power of partnership
can benefit your business by visiting
www.tourismpartners.com and registering today.

Note: 2002 statistical data was not available at the time
the document was developed. The 2004–2005 Marketing
Program document uses 2001 data.

An Introduction to the Ontario Tourism Marketing Partnership Corporation

The Ontario Tourism Marketing Partnership Corporation (OTMPC) is the tourism marketing agency of the Government of Ontario. The corporation combines the expertise and resources of the province's marketing team and Ontario tourism businesses, associations and operators in a unique and exciting private/public sector partnership.

Vision

To make Ontario the premier four-season destination by offering our guests satisfying experiences in our diverse nature, communities and culture.

Purpose

The Ontario Tourism Marketing Partnership Corporation collaborates with tourism partners and colleagues at home and internationally to develop and deliver exciting, integrated, research-driven marketing programs.

Mission

The OTMPC's mission is to grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation. The OTMPC will work strategically, proactively and collaboratively with the tourism industry to market Ontario as a travel destination in key markets. By working to improve continuously and evolve as a successful private/public partnership, the OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, four-season destination.

Services and Resources

- Strategic planning
- Marketing research and product development
- Multi-media advertising
- Consumer information services and publications
- Travel trade relations and public/media relation

Performance

The OTMPC is monitored through public and private sector assessment through a Board of Directors and market and product committees. The OTMPC's Marketing Performance Assessment Committee (MPAC) monitors all marketing activities on an ongoing basis to ensure that appropriate performance measures are in place and reported on a regular basis to the OTMPC Board of Directors.

For more information about the role of OTMPC, please visit www.tourismpartners.com and select 'About OTMPC'.



The OTMPC Board of Directors (from left to right): Mike Mulhall, Bill Allen – Deputy Minister, Ministry of Tourism and Recreation, Michael Franceschini, Virginia McKenzie, Joel Peters, Bruce Walker, Edward Meijer, Donna Hanson, Paul Dinner, Antoni Cimolino, Anne Marshall – Chair (Absent; Anthony Annunziata – Vice-Chair, Ken Lambert, Ferg Devins)

New Strategic Directions for 2004–2005

2004–2005 Goal

- Begin to rebuild visitation to Ontario back to pre-September 11, 2001 levels, over the next five years.

2004–2005 Marketing Priorities – Strategic New Directions

On an on-going basis, OTMPC enhances and fine-tunes marketing efforts to proactively promote Ontario as a premier, four-season travel destination through an integrated business and marketing approach – involving industry partners – to meet the needs of increasingly sophisticated consumers. For 2004–2005, OTMPC will employ the following strategies, which have been developed through planning, market research, and with input from our industry stakeholders.

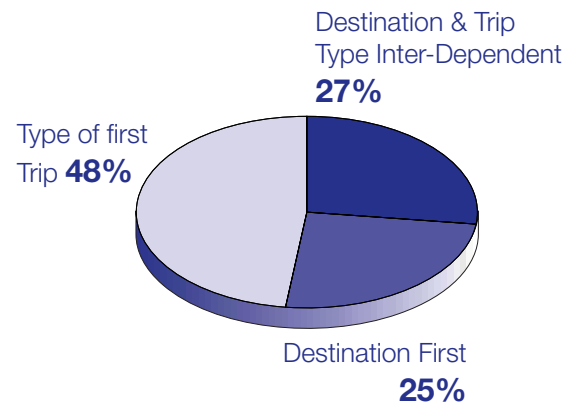
Experience-Based Marketing Strategy

OTMPC will undertake a marketing strategy focusing on Ontario's signature, 'best in class' travel experiences that will:

- Migrate Ontario's brand positioning from the current focus on Ontario travel activities/products to focus on emotional experiences associated with travel in Ontario
- Differentiate Ontario in the marketplace versus the competition
- Create a distinctly unique and powerful Ontario identity
- Highlight signature experiences that are large enough to generate significant volume and/or yield and which have the potential to generate significant partner contributions
- Communicate a strong and consistent Ontario brand image

- Assist in repositioning of Toronto, post-SARS, through use of the Tourism Recovery Program resources

Experience-Based Marketing



Research shows that for trip planning, 48% of consumers choose 'type' of trip first, 25% choose 'destination' first, for 27% trip 'type' and 'destination' are equal. (Travel Kit Assessment, Lang Research, 1999).

Publications Strategy

A review and re-definition of OTMPC's consumer publications to meet diverse marketing and partner needs was completed in 2003. With new publications scheduled to launch in Fall 2004, the new marketing and communications direction for Ontario travel publications will:

- Support the new experience-based marketing strategy
- Showcase signature and 'best in class' travel experiences to better market Ontario's travel products and to create higher consumer awareness and demand
- Bring Ontario's experiences more to life through a shift from product to experiential marketing
- Generate year-round demand for travel and help industry operators to 'close the sale' in each season

- Motivate consumers to travel with a 'new look' at Ontario
- Better support a partnership modelled program and the current product alliances
- Include a new four-tier system: annual lure, seasonal magazine-style publications, specific experience-focused verticals (e.g., Fishing, Outdoor), and a comprehensive Resource Guide with trip planning essentials

Internet and E-marketing Strategy

To capitalize on the ever-increasing consumer use of the Internet for trip planning and booking, OTMPC will:

- Proactively use the OTMPC's consumer travel web site www.ontariotravel.net in the marketing, sales and distribution of Ontario travel experiences, destinations and products
- Promote the www.ontariotravel.net web site as the primary 'call to action' in marketing campaigns
- Ensure complete integration of off-line and on-line marketing tactics in marketing campaigns
- Build OTMPC's consumer database by encouraging consumer registration to the www.ontariotravel.net web site and obtaining consumers' travel preferences to facilitate direct marketing activities
- Utilize innovative e-marketing tactics in marketing campaigns
- Extend the 'Ontario' brand on the Internet
- Continue to use OTMPC's web site www.tourismpartners.com as a key corporate communications vehicle and cross-promote the opportunity for industry listings and advertising on www.ontariotravel.net

New Strategic Directions for 2004–2005

Northern Marketing Strategy

OTMPC is committed to building partnerships in Northern Ontario and to marketing the area's signature and 'best in class' experiences. This strategy is devoted to meeting Northern priorities through:

- A fully-staffed OTMPC office in Sault Ste. Marie
- Northern representatives appointed to the OTMPC Board of Directors and the establishment of a Northern Tourism Marketing Committee
- Northern Ontario Travel Associations (NOTAPS) assisting in the delivery of tourism services and working with partners in Northern Ontario to market the entire region
- OTMPC working with key federal, provincial, municipal and association partners e.g., FedNor, Ontario Federation of Snowmobile Clubs (OFSC), Northern Ontario Native Tourism Association (NONTA) to execute marketing and partnership programs highlighting products that are signature Northern Ontario experiences

Meetings, Conventions and Incentive Travel (MC&IT) Strategy

OTMPC has initiated a strategy to recapture lost MC&IT business to Ontario. To help Ontario reclaim its position as a location of choice for major conventions, OTMPC will:

- Work with Toronto and other major cities to rebuild MC&IT business following decline due to SARS
- Use the established MC&IT Committee, as a sub-committee of the North America Committee, to determine what marketing and promotional tactics are to be pursued
- Integrate MC&IT marketing activities into North American core and partnership marketing programs
- Focus on leveraging incremental leisure travel from MC&IT business travel to Ontario



"Northern Ontario is an important component of OTMPC's experience-based marketing strategy. We are looking forward to marketing Northern Ontario under the "More to Discover" brand and building more tourism partnerships in that region. This will enhance the unique and signature travel experiences that Ontario can offer to consumers."

— Rob Skelly
Chair, OTMPC Northern Tourism Marketing Committee
Manager of Tourism, City of Greater Sudbury

Tourism and the Ontario Economy

Ontario's tourism marketing programs are centred around building the Ontario brand while generating awareness of Ontario as an exciting and diverse four-season destination. Programs promote 'best in class' travel experiences that have the greatest appeal to select target audiences in each of the province's four markets: Domestic, United States, Europe and Asia-Pacific. Ontario is the predominant gateway into Canada and boasts Canada's largest tourism industry – accounting for 37% of total national tourism revenues and 43% of total national visitors[†]. It's no surprise that tourism is credited with directly contributing more than \$7 billion to Ontario's Gross Domestic Product (GDP). The OTMPC remains committed and ready to work with industry to develop new ways to generate more revenue through visitor spending.

2001

- Total trips: 103.8 million
- Overall visitor expenditures: \$15.7 billion
- Percentage spent by foreign visitors: 47%
- Foreign exchange revenue to the Ontario economy: \$7.4 billion

Source: Statistics Canada, Domestic and International Travel Surveys, 2001.

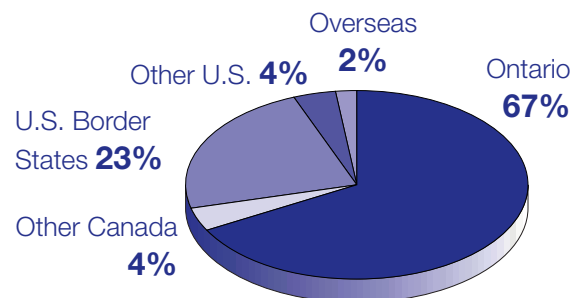
- Total provincial tax revenues: \$2.4 billion
- Employment provided to Ontarians: 412,000 jobs

Source: Ontario Ministry of Tourism and Recreation, Economic Impact Model 2001

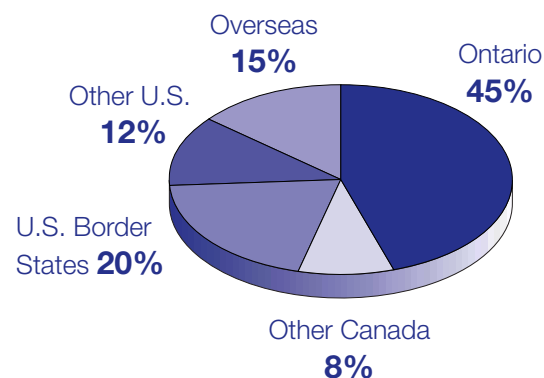
[†]Ontario Ministry of Tourism and Recreation, 2001

Markets

Total Trips in Ontario, by Market in 2001



Total Expenditures in Ontario, by Market in 2001



Source: Statistics Canada, Canadian Travel Survey and International Travel Survey, 2001



Partnership Opportunities and Participation

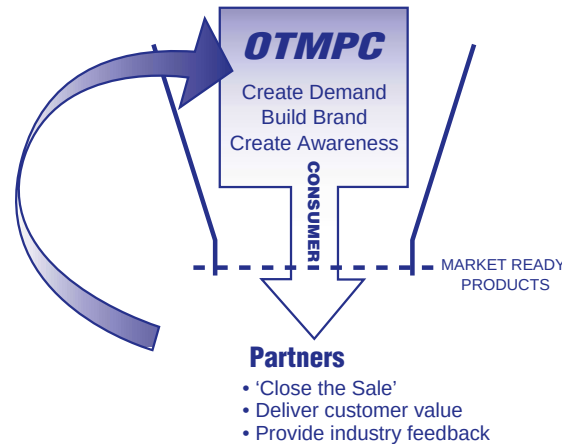
Shared Risk, Shared Reward

The dynamics of marketing Ontario tourism are exciting and diverse. OTMPC aims to encourage the industry to work together to maximize overall impact of joint marketing efforts through blended resources and increased integration of marketing activities. Partnership development continues to be a key strategic priority for OTMPC.

Specific objectives include:

- Bringing industry together to leverage resources and opportunities
- Building integrated marketing and partnership programs – more channels, broader reach, more economical
- Generating solid return on investment (ROI) for the industry and drive the customer to industry supplier/operator to ‘close the sale’
- Developing and marketing the right products to the right consumers
- Sharing resources and market research – target the right consumers with the right products

Our Role



Benefits of Partnership with OTMPC

1. Access to information and consultation from OTMPC
 - Annual Partnership Forums throughout Ontario to inform industry and provide opportunity for industry input
 - An OTMPC sales team to consult with industry
 - Use of local and regional DMOs to communicate OTMPC partner opportunities to their local industry members/partners
 - OTMPC keeps partners informed of opportunities through reminders on the broadcast distribution system
2. A new annual, comprehensive Partnership Opportunities Calendar is available on-line at www.tourismpartners.com and in hard copy format
3. Joint marketing programs including:
 - Dollar matching by OTMPC
 - Marketing support
 - Advertising agency expertise and execution
 - Consistent ‘Ontario’ messaging

4. OTMPC’s marketing cycle corresponds with industry/partner planning cycle to allow for partners’ timely identification of buy-in opportunities and budget planning for next calendar year

2002–2003 Partnership Marketing and Program Examples

OTMPC executes leading-edge and innovative marketing initiatives to promote Ontario as a premier, four-season travel destination through effective partnerships with the tourism industry. These partnerships range from industry proposal programs, to product alliances, to advertising campaigns. The types of partners are equally diverse – municipal, federal, destination marketing organizations and associations. Here are some partnership examples:

Together in Toronto – Winter 2003

- Tourism Toronto and partners have worked with OTMPC on winter programs over the past three years. The winter 2003 ‘Together in Toronto’ program was a fully integrated off-line and on-line marketing campaign created with a strong emphasis on e-marketing by driving consumers to an Internet micro-site through all campaign components. Other components included print and radio advertising, radio promotions, direct mail, direct e-mail, on-line advertising and an on-line contest.
- Campaign contest generated more than 13,000 new consumers to OTMPC’s database and over 75,000 user sessions on the Internet micro-site

Partnership Opportunities and Participation

Savour Ontario

- A partnership of OTMPC and twelve founding industry members representing cooking schools, Ontario wineries and Innkeepers of Ontario properties collaborated in 2003 to establish 'Savour Ontario.' Marketing initiatives included a web site, brochure development and distribution, as well as cross-promotion with selected partners including the LCBO, Wine Council of Ontario, Niagara Wine & Food Classic event and the Innkeepers of Ontario

Niagara Falls Colours Campaign

- A Summer 2003 campaign conducted with Niagara Falls Tourism and their Niagara-area partners promoting value-added hotel and activity packages to the U.S. border markets
- Campaign components included television advertising in Cleveland, Pittsburgh, and Detroit and further radio and newspaper advertising in Detroit with Canadian Tourism Commission (CTC) partnership support

Attractions Ontario – Summer 2003 Marketing Campaign

- A third-year partnership between OTMPC and Attractions Ontario, which introduced new direct marketing tactics from previous years
- Campaign targeted Detroit, Rochester, Syracuse, Buffalo and 15 key Ontario urban centres, comprising over 1.5 million newspaper inserts, including attractions coupons, new direct delivery and direct e-mail marketing and brochure distribution

1000 Islands-St. Lawrence Seaway Campaign

- With support from OTMPC's Industry Partnership Proposal Program (IPPP), this region and its partners executed an expanded 2002 Spring and Summer television campaign to the domestic and U.S. markets, which generated almost 20,000 travel inquiries

Kapuskasing Lumberjack Heritage Festival (Kapuskasing)

- With support from the Tourism Event Marketing Partnership Program (TEMPP), the promoters of the 2002 Kapuskasing Lumberjack Heritage Festival were able to execute additional marketing of the event through newspaper advertising in 20 Ontario communities. The event attracted 24,600 attendees and generated 1,228 overnight stays in the area. Survey results indicated the highest percentage of attendees heard of the festival through the OTMPC-supported newspaper advertising

Festival Western D'Alfred (Alfred, Ontario)

- With support of the TEMPP program, organizers of this event were able to conduct newspaper and radio advertising in Eastern and Central Ontario, Northern Quebec, and New York State. The event attracted 7,000 visitors and 500 packages were sold generating significant increased overnight stays in the area





Partnership Opportunities and Participation

Partner With Us: Partnership Opportunities and How Tourism Industry Businesses Can Get Involved

E-marketing and www.ontariotravel.net consumer travel web site

Put your tourism-related company or organization in front of thousands of potential and actual travellers to Ontario. Businesses who register on the OTMPC partners site www.tourismpartners.com are entitled to a free listing on the consumers site www.ontariotravel.net. For a fee, businesses can upgrade their listing, buy banner ads and conduct other on-line marketing initiatives. The Ontario travel site is the official travel web site of the Province of Ontario, with over 110,000 user sessions a month¹ and over 53,000 registered consumers, primarily from Canada and the U.S. The site is the call-to-action for the majority of OTMPC consumer marketing campaigns.

¹ OTMPC Consumer Response Report, July 2003

Advertising Opportunities for Partners

OTMPC publications lure, inform, and help convince consumers to buy tourism products. Publications include seasonal magazines, a resource guide, and vertical product/experience guides. Partner opportunities include participation through paid listings and display advertising. See the Partner Opportunities Calendar and/or visit www.tourismpartners.com for program details, costs and deadlines.

Proposal Programs

Two OTMPC programs operate to provide support for tourism industry cooperative marketing ventures and to assist organizations in the marketing and promotion of select events and festivals around the province.

1. Tourism Event Marketing Partnership Program (TEMPP)

Through this program OTMPC will assist event organizers to increase the marketing and promotion of select events and festivals in Ontario. Organizers may use the program to reach new markets and/or use new advertising mediums for events and festivals that:

- Take place in Ontario
- Extend visitor length of stay
- Emphasize winter and shoulder seasons
- Appeal to a large number of tourists
- Are open to the public

2. Industry Partnership Proposal Program (IPPP)

Through this program OTMPC will provide support for selected tourism industry cooperative marketing ventures that promote Ontario as a premier, four-season destination and are outside of the OTMPC core marketing programs. Tourism industry businesses/organizations may use the program to reach new markets and/or use new advertising mediums. To qualify for this program the cooperative marketing ventures must:

- Promote four-season travel in/to Ontario
- Extend visitor length of stay
- Generate increased revenues from travel to Ontario
- Support OTMPC's Domestic and/or U.S. marketing strategies

Partnership Opportunities and Participation

More information on IPPP and TEMPP program guidelines and criteria is available at www.tourismpartners.com or in the 2004–2005 Partner Opportunities Calendar, available in hard copy or on-line.

OTMPC is also involved in evaluating industry submissions to two additional partnership proposal programs, which are part of the Tourism Recovery Program. Please visit www.tourismpartners.com for more information.

Join Us! OTMPC Partnership Marketing Forums

Every year, the OTMPC travels to numerous communities around Ontario to present the marketing plan and programs for the upcoming year. At these gatherings, we encourage feedback from tourism industry participants and gain input to our marketing programs and activities. The 2003 forums attracted more than 600 individual tourism operators and presentation topics included changes to OTMPC's strategic direction – including the Publications Strategy, Vertical Marketing Strategy, Tourism Consumer Information Services Strategy and the Partnership Opportunities Calendar. Valuable industry input was used to fine-tune initiatives for 2004–2005.

2004 Partnership Forums – A Look Ahead

Based on feedback from the industry at last year's forums, the next Partnership Forums will take place in April 2004. Dates and venues are to be finalized and this information will be distributed to the tourism industry earlier in 2004 and will also be featured on our partners' web site at www.tourismpartners.com

2004 Partnership Forum Cities

Orillia	Owen Sound	North Bay	Kitchener
London	Sudbury	Windsor	Timmins
Toronto	Niagara Falls	Ottawa	Dryden
Brockville	Peterborough	Sault Ste. Marie	
Thunder Bay			

Contact Us

Here are the people that you can contact about becoming a partner with OTMPC in existing and new marketing, advertising and partnership initiatives:

Nicole Papineau – Partnership Development and Sales Manager

Phone: (416) 212-1886

E-mail: nicole.papineau@mczcr.gov.on.ca

Brynda Browning – Partnership Development and Sales Assistant

Toll-Free: 1-888-365-4422/Phone: (416) 314-6314

Fax: (416) 314-6976

E-mail: otmp.sales@mczcr.gov.on.ca

“Through our participation in the Attractions Ontario Passport program, which was a partnership program with OTMPC, we yielded a return of \$14.94 per dollar invested in the Passport coupon program. The significant increase in circulation and print quality of the publication afforded by OTMPC partnership played a key role. The tracking system implemented on the coupons also assisted in evaluating the source and response from various distribution channels.”

— Gary Molnar, Manager
Marketing, Sales and Corporate Sponsorship,
Huron Historical Parks





Market Research and Performance Measurement

Insights through Research

OTMPC's market research program provides reliable and essential information on all stages of traveller decision-making and on consumer behaviour, thus enabling a strategically targeted approach to all marketing activities. Working closely with the Research and Industry Competitiveness Unit of the Ministry of Tourism and Recreation, OTMPC monitors visitation to Ontario, emerging trends and any changes in markets. For all major markets, research provides OTMPC with detailed information on consumers' awareness of and perceptions about Ontario as a tourism destination. To achieve more precise targeting, a segmentation model was developed based specifically on travel behaviour and travel attitudes. Detailed profiles of these segments, including demographics, travel habits and media consumption, allow us to effectively and efficiently reach customers. OTMPC's ongoing advertising tracking research measures awareness levels of advertising in core markets and the impact of advertising on Ontario's image, travel intentions and actual trip taking. The knowledge gained through the advertising tracking research aids the development of new campaigns and also serves as a measure of accountability to our partners and stakeholders.

The Travel Activities and Motivation Survey (TAMS) provides invaluable information on travel attitudes and preferred travel activities across North America, enabling OTMPC to identify travel interests, emerging new products and packaging opportunities.

To track consumer interests and customer service effectiveness, we measure use of several OTMPC and

Ministry of Tourism and Recreation operations – including the consumer and partner websites, the 1-800 call centre, and the Ontario Travel Information Centres (OTICs). We also track direct response to advertising and literature fulfillment.

Industry partners can view selected statistics and research reports at www.tourismpartners.com

Further travel statistics are found on the Ministry of Tourism and Recreation's web site at: www.tourism.gov.on.ca



"OTMPC has implemented the Market Priorities Assessment (MPA) process following the Canadian Tourism Commission (CTC) model. This is a more sophisticated way to ensure that the OTMPC is investing wisely in its primary and emerging markets. To monitor return on investment of marketing campaigns, OTMPC tracks its advertising campaigns and consumer interests, including the response of our targeted market segments."

— Joel Peters,
Chair, OTMPC Marketing Performance Assessment
Committee
Vice President, Marketing & Commercial Development
Royal Ontario Museum

Market Overview

The Current Climate

Ontario's tourism industry, which was still in a state of post-9/11 recovery, was seriously impacted by a series of world and local events in the first half of 2003. The U.S.-Iraq War and a slowing U.S. economy had a negative affect on travel. Ontario's travel industry was further hit by the outbreak of SARS and a World Health Organization (WHO) advisory that warned against travel to Toronto. As a result, international border crossings to Ontario dropped by approximately 23% in the second quarter of 2003, compared to the same period in 2002.¹ Hotel occupancy rates in Ontario were almost 20% lower in the second quarter of 2003 than in the same period of 2002.²

Ontario's travel industry has been hard hit by significant global and local events. It is estimated that Ontario lost about \$600 million in international tourism revenues between February and June 2003.

While we are currently experiencing a slowdown in the Canadian economy, the U.S. economy is expected to improve in the first half of 2004. This will likely have a positive impact on travel from the U.S. to Ontario. Rebuilding Ontario's tourism industry and achieving our objectives will require continued focus and aggressive marketing efforts.

Consumer Attitude

Consumer travel behaviour has been greatly affected by the negative events of the past couple of years. Changes include:

- Later bookings by consumers
- Travel to destinations closer to home
- Trend towards taking shorter trips
- Safety, being pampered, and value, are of primary concern
- Increased emphasis on spending quality time with family
- Caution about travel to Ontario from core U.S. markets for health and safety reasons following the SARS outbreak

Travel Intentions

Domestic Market

1. As of mid-Summer 2003, travel intentions were at about the same level as in 2002³
2. Travellers expect value travel packages/discounts⁴
3. Popularity of the United States as a destination is on the increase for Canadians due to the strengthening Canadian dollar

United States Near Markets

1. SARS has had a significant negative impact on Ontario's, and especially Toronto's, image as a safe destination
2. Canada's attractiveness rating has decreased relative to other destinations

¹ Statistics Canada, International Travel Survey, 2003

² Pannell Kerr Forster (PKF) Consulting Inc., 2003

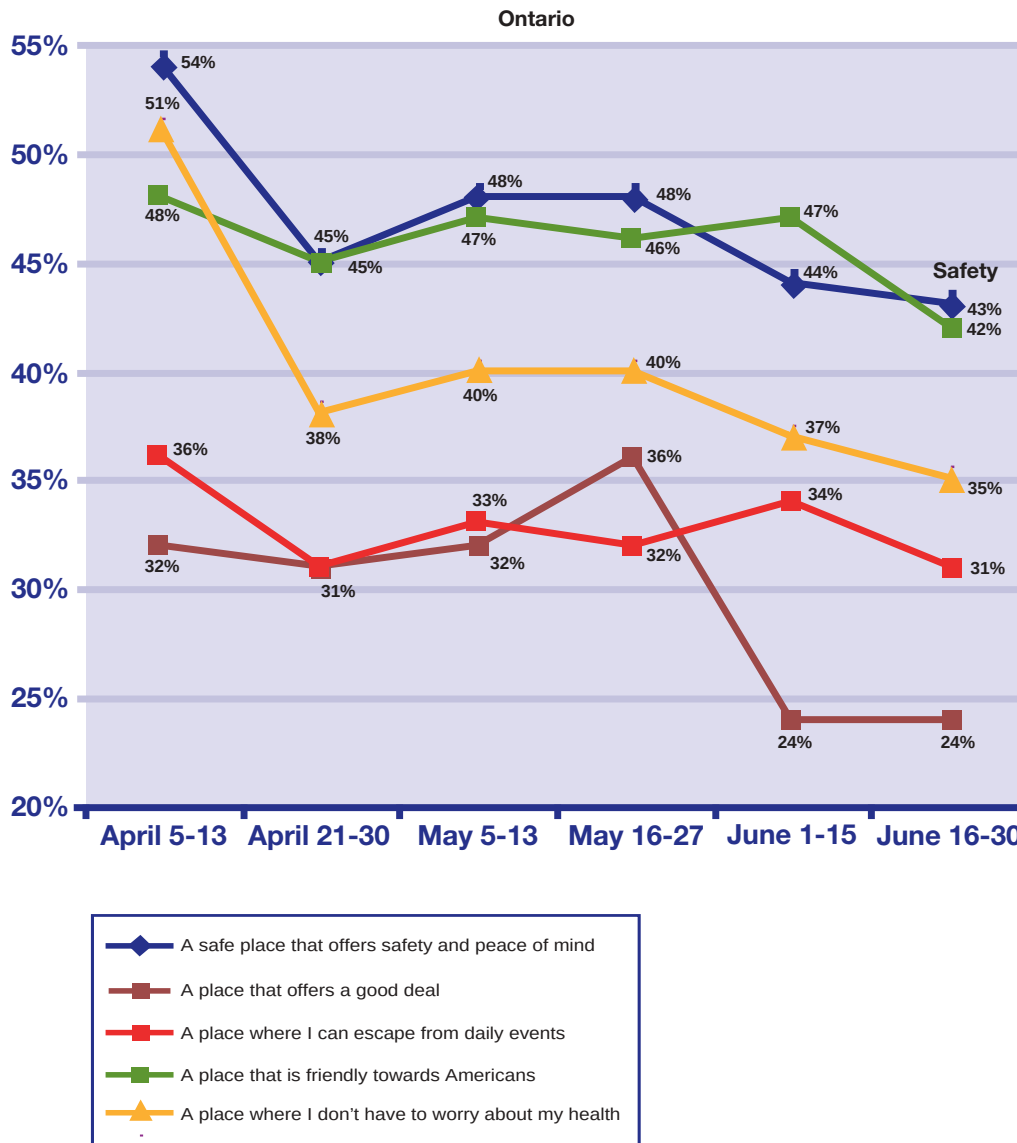
³ Conference Board of Canada, July 2003

⁴ Focus groups in Ottawa, London and Toronto, Summer 2003



Market Overview

Perceptions of Ontario Post-SARS in U.S.



Priority markets

Domestic

Concentrate efforts in key Ontario markets; Quebec and Manitoba (primarily Winnipeg)

United States

Concentrate efforts on near border markets and selected mid-market cities

Overseas

U.K., Japan and Germany

Tourism Recovery

Travel recovery through growth in revenues and visitors will be difficult, particularly following the SARS outbreak in 2003. This tarnished the popular image of Toronto and Ontario as safe travel destinations. The Ontario government acknowledged this challenge and in 2003 created a \$128 million Tourism Recovery Program to help rebuild travel volumes and revenues over the next two years. In 2004–2005 OTMPC will augment core and partnership marketing activities to speed and support recovery through this program.

Market Priorities Assessment

Market	2001				Forecast GDP Growth		Assessment	Priority
	Pleasure Trips (Millions)	Overnight Pleasure Trips (Millions)	Pleasure Spending (Billions \$)	Avg. Spend per Person per Pleasure Trip	2003	2004		
Total Global*	45.4	18.0	\$ 6.6	\$ 146				
Domestic	29.7	12.4	\$ 3.6	\$ 120	1.9%	3.2%		
Ontario	28.4	11.4	\$ 3.3	\$ 115	2.0%	3.3%	– events negatively impacting on economic growth forecast – largest market with best potential for growth	1
Quebec	.7	.5	\$.1	\$ 188	2.0%	2.9%	– opportunity market	3
Manitoba	.3	.3	\$.04	\$ 138	2.6%	3.1%	– important market for Northwestern Ontario	7
U.S.*	14.7	4.7	\$ 2.3	\$ 160	2.3%	3.8%		
Border	12.4	3.5	\$ 1.7	\$ 140			– economy expected to pick up as of the first half of 2004 – stronger growth expected in the Mid-Atlantic states, while the Northeast is expected to lag behind – Ontario needs to regain positive image as a safe destination post SARS – favourable growth opportunities – focus on near-border rubber-tire market; 4-8 hour drive post Sept. 11	2
New York	4.8	.9	\$.5	\$ 102				
Michigan	5.1	1.1	\$.6	\$ 126				
Pennsylvania	.7	.3	\$.2	\$ 233				
Ohio	1.0	.5	\$.2	\$ 207				
Illinois	.3	.2	\$.1	\$ 299				
Wisconsin	.2	.2	\$.1	\$ 382				
Minnesota	.4	.2	\$.1	\$ 195				
Rest of U.S.	2.2	1.2	\$.6	\$ 268				8
Overseas*	1.0	.9	\$.7	\$ 677				
Europe	.6	.5	\$.4	\$ 661			– maintain presence & focus on travel trade – positive outlook based on economic conditions – EU: slower economic growth than was anticipated	4
U.K.	.2	.2	\$.2	\$ 740	1.8%	2.5%		
Germany	.1	.07	\$.06	\$ 601	0.1%	1.5%		5
France	.1	.1	\$.05	\$ 504	0.7%	1.7%		9
Asia/Pacific	.3	.2	n/a	n/a				
Japan	.1	.1	\$.08	\$ 581	1.0%	0.7%	– focus on travel trade	6
South Korea	.04	.02	\$.02	\$ 582	3.3%	5.3%		
Hong Kong	.02	.02	\$.01	\$ 631	1.6%	4.0%		
Taiwan	.01	.01	\$.01	\$ 1023	2.8%	4.1%		
Australia	.03	.02	\$.03	\$ 1232	2.7%	3.6%		
Emerging Markets								
China	.01	.01	\$.01	\$ 763	7.7%	7.6%	– monitoring activity	10
Mexico	.04	.04	n/a	n/a	2.0%	3.8%	– monitoring activity	

Sources: Visitation and Expenditures; StatsCan CTS/ITS 2001, GDP Forecast Conference Board of Canada, July 2003
OTMPC has identified Ontario's best potential markets through the Market Priorities Assessment (MPA) process.

*US and Overseas expenditures exclude carrier fares to Canada

Note: Data based on small sample sizes for some of the smaller markets.

Domestic Market



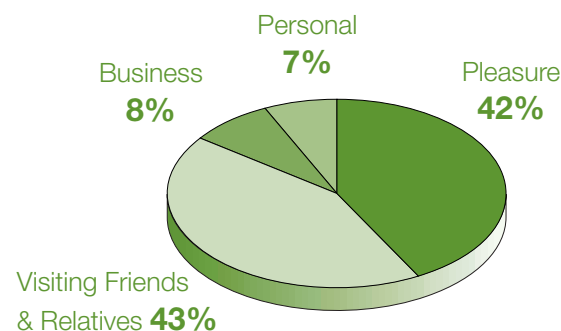
Domestic Travel in Ontario

In 2001, Domestic travellers took 73.5 million same-day and overnight trips to Ontario, contributing \$8.4 billion to the Ontario economy. Overnight pleasure trips equalled 12.4 million and generated over \$2.3 billion in revenue for the province. Average length of stay on an overnight pleasure trip is 3.2 nights, with average trip expenditure per person being approximately \$187.

Source: Statistics Canada, Canadian Travel Survey, 2001

Ontarians travelling within Ontario account for over 90% of Domestic overnight pleasure trips. The focus of marketing programs will be to stimulate Ontario residents – our largest target group – to take more frequent, short getaway trips.

Domestic – Total Overnight Trips



9/11, the U.S.-Iraq War and SARS had less of a negative impact on the Domestic market than on international markets. Ontario residents were the most knowledgeable about SARS and so their travel intentions were the least affected. As travellers tend to stay closer to home, the Domestic market is one of OTMPC's best opportunities for 2004–2005.

2002–2003 Domestic Marketing Examples

Consumer Advertising

2002–2003 Winter Campaign

- Included television and print advertising, a newspaper insert and an Internet micro-site
- Generated over 11,500 total visitor sessions to www.ontariotravel.net
- Generated \$31 million in visitor expenditures

2003 Spring Campaign

- A fully integrated advertising campaign with a 'tulip' theme across all mediums including an Internet micro-site, a contest, direct mail, newspaper advertising, fulfillment pieces, and a themed event at Toronto's Union Station
- Campaign and contest generated 4,300 consumer registrations on the micro-site in 4 weeks
- 'Domination Union Station' – a tulip themed event in Toronto during which 25,000 tulips and 250,000 OTMPC and Ontario partner promotional materials were distributed by over 80 participating partners representing 11 companies.

2003 Summer Marketing to Quebec

- In response to industry input and marketing needs, OTMPC executed an expanded marketing program targeting Quebec (primarily the Greater Montreal area). Components included newspaper inserts, direct mail and Domination Montreal Subway Station where more than 20,000 Ontario Tourism brochures were distributed to commuters

2003 Summer Campaign

- A multi-media campaign that employed increased e-marketing tactics to capture consumer profile information and obtain permission to conduct future one-to-one communications with consumers through Customer Relationship Management (CRM)
- On-line contest generated more than 5,000 entries and new user registrations from mid-May to mid-June 2003

2002–2003 Travel Trade Results

- New partnership with Canadian Automobile Association (CAA) to develop and distribute the Ontario-CAA Packages brochure. Brochure was distributed to Ontario's five CAA clubs and 1.8 million club members as well as to CAA Maritimes clubs. Promoted 35 commissionable packages offered by 16 participating Ontario receptive tour operators



2003 Domestic Direct Mail Spring Postcard



2003 Ontario Packages/CAA Guide



Clin d'œil –
Quebec women's magazine
September 2003



Toronto Star – A 10-part
series, September-November
2002

2002–2003 Media and Public Relations Results

- In 2002, the public relations value of tracked print media generated by OTMPC was just over \$9.5 million with an advertising value of \$2.4 million
- Print coverage had a combined circulation of over 28 million, more than 2 million of that in Quebec
- The *Toronto Star* ran a 10-part series in its Food section on the cuisine of Northern Ontario (from September to November 2002). The PR value of the series was in excess of \$3.3 million

2004–2005 Domestic Goals

The OTMPC's goals for this market are:

- To increase the number of trips and expenditures per trip to and within Ontario
- To continue to build interest in travel to and within Ontario
- To motivate Ontarians and residents from selected Canadian cities to take getaways in Ontario

Consumer Marketing Strategy

To achieve our goals, OTMPC will:

- Introduce the market to unique, 'best in class' and signature Ontario travel experiences
- Use a multi-media approach, with a strong emphasis on e-marketing initiatives to ensure broad reach and coverage of all target markets
- Develop retail campaigns with focus on 'closing the sale'
- Execute a customized campaign aimed at the Quebec market
- Feature 'best in class' Northern Ontario experiences



- Build OTMPC's consumer database to effectively use Customer Relationship Management (CRM) tactics
- Use the Tourism Recovery program to enhance and expand domestic marketing activities where needed

Markets

- Ontario-wide
- Quebec
- Manitoba (primarily Winnipeg)

Audience

Research shows our largest growth potential segments are:

- Affluent adults (with/without children) – in all seasons
- Families – during the peak summer travel period

Media Relations Strategy

Media relations builds top-of-mind awareness for Ontario destinations and experiences as well as supports OTMPC marketing initiatives by generating editorial coverage across all media outlets, including magazines, newspapers, television, radio, Internet and wire services. To build this type of awareness, OTMPC will:

- Continue to be an active member of the Travel Media Association of Canada (TMAC)
- Focus efforts on generating more stories in Ontario press and cross-promoting stories beyond travel to the lifestyle, fashion, food and culinary sections
- Increase emphasis on servicing electronic media (Internet) that have regular travel segments
- Identify and pitch local Ontario radio and television stations
- Continue to participate in media events

- Distribute radio public service announcements, via Barrie Travel Information Centre, year-round to more than 140 Ontario radio stations/programs
- Partner with Canadian Tourism Commission (CTC) on Domestic media initiatives

Travel Trade Strategy

- Build on relationship with the Canadian Automobile Association (CAA)
- Work with Ontario-based receptive tour operators to encourage the development and sales of commissionable Ontario packages by retail travel agents
- Build a relationship with the Canadian Automobile Association (CAA) in Quebec
- Continue to work closely with the Ontario Motorcoach Association (OMCA)



2004–2005 Program Summary

Target Audiences

- Spring/fall/winter: Affluent Adults market (with/without children)
- Summer: Family market

Consumer Advertising

- Television: Ontario networks and national specialty channels (English and French)
- Newspaper inserts and on-page advertising: targeting top 50% of households in key Ontario markets, as well as Quebec and Manitoba (primarily Winnipeg)
- Internet/e-marketing
- Lifestyle magazines: themed inserts and/or on-page ads
- Direct mail: Ontario-wide, Quebec and Manitoba (primarily Winnipeg)

Promotions

- Union/GO Station/TTC station domination, 'Celebrate the Seasons' event marketing program

Key Partnership Programs

- Retail campaigns to promote niche experiences and seasonal products

Media Relations

Key year-round activities include:

- Story ideas highlighting Ontario experiences/products
- Media events focusing on Ontario newspapers and women's magazines

- Media familiarization tours
- Public service announcements

Travel Trade Initiatives

- Trade events
- Participation in Ontario Motorcoach Association Marketplace – October 2004
- Trade-specific collateral

For more information about Domestic marketing activities, please visit www.tourismpartners.com and choose 'Partnership Opportunities'.

United States Market



United States Market

The U.S. is Ontario's largest international market. Travel-related revenues from this market represent a major contribution to Ontario's foreign exchange earnings. U.S. visitors are generally seen as our next-door neighbours rather than 'foreign' customers; however, culturally, there are key differences between the U.S. and Domestic markets. Ontario is not top-of-mind as a travel destination for U.S. travellers, especially those residing in the longer haul markets. Building awareness and educating travellers about what Ontario has to offer plays an important role in our marketing initiatives.

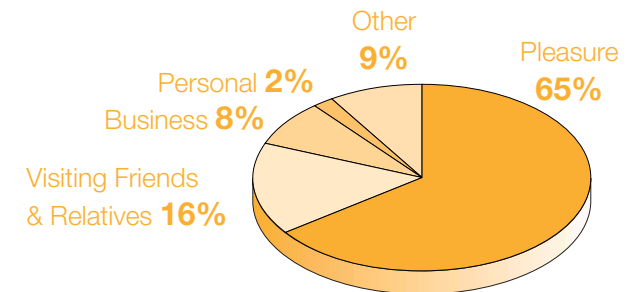
Compared to Domestic travellers, U.S. travellers tend to spend more, stay in hotels more often, and are more likely to travel for pleasure purposes. Canada's dollar can provide a competitive advantage to U.S. visitors, however, the vast majority of these visitors are not aware of, or do not understand, exchange rate advantages. This poses a major challenge in terms of educating the segment on this issue. Furthermore, the prices of some Ontario products/services can significantly reduce the exchange rate advantage.

U.S. Travel in Ontario

In 2001, U.S. travellers took 28.1 million same-day and overnight trips to Ontario, contributing \$5 billion to the Ontario economy. Overnight pleasure trips from the U.S. equalled 4.7 million. The border states (Michigan, New York, Ohio, Pennsylvania, Minnesota, Wisconsin and Illinois) represent 75% of these trips. Overnight pleasure trips from the U.S. border states generated over \$1.1 billion in revenue for the province. Average length of stay of overnight pleasure trips from the U.S. border states is 3.2 nights, with an average trip expenditure per person of \$325.

The SARS outbreak in Toronto impacted negatively on the U.S. market. Perception of Ontario as a safe destination plummeted. In the first half of 2003, overnight border crossings from this market were 21% lower than in 2002.

U.S. Border – Total Overnight Trips



"The SARS outbreak, the U.S.-Iraq War and world events made marketing in the U.S. a challenge in 2003. Partnership marketing campaigns with OTMPC and the Tourism Recovery office benefited many DMOs and Ontario tourism

businesses. In 2004, OTMPC will work to re-establish a strong image for Ontario in the U.S. near border markets. We will also continue to grow our domestic market by stepping up marketing initiatives in Ontario and expanding our marketing programs in Quebec and Manitoba."

— Noel Buckley
Chair, OTMPC North America Committee
President, Niagara Falls Tourism,
Visitor and Convention Bureau

2002–2003 U.S. Marketing Examples

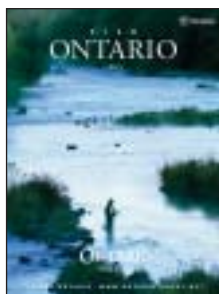
Consumer Advertising

2002–2003 Snowmobile Campaign

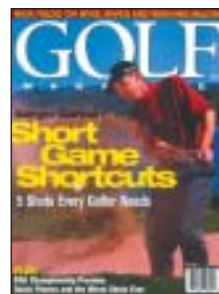
- This integrated campaign used a variety of tactics – direct mail, consumer shows, television ads, magazine ads, an Internet micro-site, an on-line contest and fulfillment pieces between November 2002 and March 2003
- The Snowmobile Campaign attracted nearly 8,000 consumers to the contest, Internet micro-site and to registering on ontariotravel.net. This was a contest completion rate of 51%, exceptionally high compared to the industry average of 10%



U.S. Snowmobile Campaign, fulfillment piece



U.S. Angling and Adventure 2003 Campaign fulfillment pieces



Golf Magazine, August 2003



National Geographic Traveller, April 2003

Angling 2003 and Adventure 2003

- This was a first-time partnership effort with FedNor (Federal Economic Development Initiative for Northern Ontario) to promote angling and adventure in Ontario to the U.S. market and selected Ontario centres. Campaign components included: television advertising, direct mail, direct e-mail, an Internet micro-site and contest for each campaign.
 - Angling campaign generated over 3,500 contest entries and registrations to the consumer web site
 - Adventure campaign generated over 1,500 contest entries and registrations to the consumer web site

American Automobile Association

- Ontario was featured on the May 2003 covers of *Michigan Living* and *Going Places*, with substantial editorial coverage in these publications

Travel Trade

- An Ontario/AAA Package brochure featuring 40 Ontario commissionable packages was distributed to AAA offices in U.S. border and selected mid-market states
- Joint-marketing agreements (JMAs) to feature new and expanded Ontario products with five major U.S. tour operators – Brennan, Tauck Tours, Globus/Cosmos, United Airlines Vacations, and Collette Vacations

Media and Public Relations

- For 2002, media results are estimated at \$36 million in combined public relations value and \$9 million in advertising value
- *National Geographic* (April 2003) – 14 pages on Toronto, plus a 4-page centrefold on the Niagara Region. Feature had a PR value of over \$4.5 million and a circulation of over 700,000 across North America
- Divers Down (Sports Network) – two 30 min. programs on scuba diving adventure experiences in the Ottawa and Brockville areas. The programs reached an audience of 5 million households in New England

2004–2005 U.S. Market Goals

- Re-establish confidence among consumers in near border markets that Ontario is a safe destination
- To create a powerful and distinctly unique Ontario identity



- To begin to rebuild visitation to Ontario and trip expenditures back to pre-9/11 levels over the next five years

Consumer Marketing Strategy

To achieve our goals, OTMPC will:

- Create a distinctly unique Ontario identity to differentiate our travel experiences from those of competing destinations
- Re-establish a strong image for Ontario, post-SARS
- Introduce the market to unique, 'best in class' and signature Ontario travel experiences
- Use a multi-media approach, with a strong emphasis on e-marketing, to ensure broad reach and coverage of all target markets
- Develop retail campaigns with focus on 'closing the sale'
- Focus on U.S. auto travel markets
- Build OTMPC's consumer database to effectively use Customer Relationship Management (CRM) tactics
- Reach U.S. mid-markets through opportunities with Canadian Tourism Commission (CTC), travel trade, and media initiatives
- Use the Tourism Recovery Program to enhance and expand U.S. marketing activities where needed

Audience

Research shows our largest potential segments are:

- Affluent adults (with/without children) – in all seasons
- Families – during peak summer travel season

Media Relations Strategy

Media relations builds top-of-mind awareness for Ontario destinations through editorial exposure in U.S. media outlets including national lifestyle and travel magazines, newspaper sections, radio, television and Internet sites. We will focus efforts on generating editorial coverage in the key U.S. border markets and selected mid-markets by:

- Coordinating and hosting media press trips to Ontario
- Partnering with industry in exclusive and major North American media events, e.g. Air Canada Media dinners and Canadian Tourism Commission's annual Media Marketplace
- Continuing to engage U.S. in-market representation in New York and Chicago to solicit media tours and maintain close contact with U.S. media

Travel Trade Strategy

OTMPC will continue to develop strong partnerships with key U.S. tour operators and the American Automobile Association (AAA) as distribution channels for Ontario travel destinations/experiences in key U.S. markets. Specifically, OTMPC will focus on:

- Increasing partnerships with key U.S. tour operators, in conjunction with the Canadian Tourism Commission (CTC), through Joint Marketing Agreements (JMAs)
- Continuing to build and enhance relationships with American Automobile Clubs (AAA) in selected U.S. markets
- Enhancing existing and developing new relationships with key U.S. tour operators
- Holding memberships, participating and sponsoring events at premier North American travel trade marketplaces such as USTOA, NTA, ABA and Rendez-Vous Canada
- Hosting the National Tour Association (NTA) convention in Toronto in November 2004

Overseas Markets

Europe and Asia-Pacific



Overseas Markets

2004–2005 Overseas Goal

- Begin to re-build visitation to Ontario to pre-9/11 levels over the next five years
- Maintain and solidify Ontario's presence in key Overseas markets through strategic partnerships and targeted marketing activities

2004–2005 Strategic Priorities

OTMPC's priorities are to:

- Strengthen travel trade initiatives in the Overseas markets
- Diversify Ontario product offerings and emphasize off-peak travel
- Maximize strategic partnerships with tour operators, Canadian Tourism Commission (CTC), airlines
- Work with CTC representatives to educate and train travel trade operators on how to sell Ontario to consumers

Europe

European visitors tend to stay longer and spend more than travellers from shorter-haul markets. OTMPC's challenge is to promote a greater awareness of Ontario as a premier destination in the context of a large, expensive, and fiercely competitive European marketplace. We must strategically position our products more strongly within those European consumer markets, which are more inclined to visit Ontario.

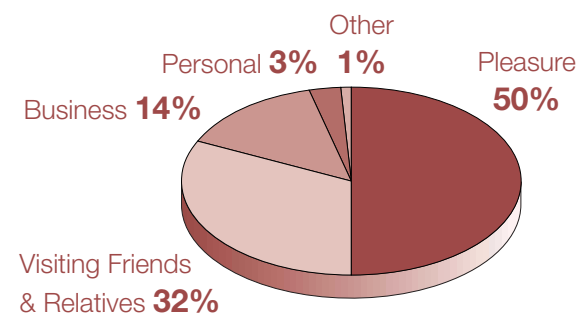
European Travel to Ontario

In 2001, European travellers took 1.2 million overnight trips to Ontario, contributing \$1.2 billion to the Ontario economy. Overnight pleasure trips from Europe equalled 0.5 million and generated \$554 million in revenue for the province. Ontario's primary European overnight pleasure markets are the United Kingdom, Germany and France.

Source: Statistics Canada, International Travel Survey, 2001

The events of September 11, 2001, the U.S.-Iraq War and the SARS outbreak impacted negatively on long-haul travel worldwide. It is not surprising then that border crossings into Ontario from our most important European markets dropped sharply – U.K. was down 11%, Germany 21%, and France 34% in the first half of 2003 as compared to the same period of 2002.

Europe – Total Overnight Trips



Primary markets – Overnight Pleasure Trips

Market	U.K.	Germany	France
Number of overnight pleasure trips	208,000	66,000	94,000
Expenditures generated (in millions)	\$267	\$75	\$68
Average length of overnight pleasure trip	7.6 nights	8.8 nights	5.2 nights
Average expenditure in Ontario per overnight pleasure trip	\$835	\$861	\$575

2002-2003 European Marketing Examples

Consumer Advertising

- Joint consumer advertising campaign with the Canadian Tourism Commission (CTC) in the U.K., Germany and France

Travel Trade

Globespan – U.K.

- Joint Marketing Agreement (JMA) to promote Summer 2003 travel featuring Toronto city packages, Toronto/Niagara Falls and Ontario general products. Campaign included a dedicated Ontario mailing, newspaper advertising, e-marketing initiatives, travel agent incentives and trade/media familiarization tours

Meiers Weltreisen – Germany

- Joint Marketing Agreement (JMA) to promote Fall 2003 travel and featuring Toronto city packages, Toronto/Niagara Falls and Ontario general products

- Campaign included travel agency window displays with Ontario special offers, and a special 8-page promotional guide on Ontario travel products distributed to all travel agencies

Media Relations

Media relations is a key component of the European marketing strategy. The resources available for this market are strategically invested to generate the greatest return on investment.

- UK market media results for 2002 fiscal year totalled over \$13 million
- German market media results for 2002 fiscal year totalled over \$12.5 million

Media coverage highlights of 2002–2003 include the following:

BBC – ‘You call the shots’ (UK)

- With a viewing audience of over five million, this travel show featured extensive coverage of Toronto and Niagara Falls

TOURS Magazine (Germany)

- This consumer magazine with a circulation of 66,000 featured a six-page article on the Great Spirit Circle Tour – a new First Nations tourism product on Manitoulin Island highlighting eco-lodge and teepee stays, traditional meals and wilderness experiences



April 2003



February 2003



Decanter Magazine (U.K.), October 2002



Meiers Weltreisen, 2003 promotional magazine



2004–2005 Goals

OTMPC aims to:

- Maintain marketing investment and efforts in primary markets to restore overnight leisure visitations to pre-9/11 levels over the next five years
- Strengthen travel trade partnership marketing activities
- Target high-yield prospects through strategic, integrated joint-marketing agreements (JMAs) with leading tour operator partners, as well as continued partnering with the Canadian Tourism Commission (CTC) and major airlines
- Introduce new ‘export ready’ experiences to key European markets

Consumer Marketing Strategy

- Continue to strengthen the Ontario brand in primary markets through travel trade activities
- Continue to build relationships and partner with CTC on appropriate consumer marketing campaigns
- Build Ontario brand within framework of CTC campaigns and national themes
- Partner and invest in aggressive JMAs (Joint Marketing Agreements) with strategic national tour operators in key European markets

Markets

- Primary markets are United Kingdom, Germany, and France

Audience:

- United Kingdom: 25–45+ years, affluent singles, well-educated couples, travelling without children
- Germany: 45–65 years, affluent, well educated, travelling without children
- France: 35+ years, affluent, well-educated couples, travelling without children

OTMPC will focus 100% of its efforts in spring, summer, and fall.

Media Relations Strategy

Media relations builds top-of-mind awareness for Ontario destinations through editorial exposure to European media outlets, including national lifestyle and travel magazines, newspaper sections, radio broadcasts, television and Internet coverage.

OTMPC’s strategy includes:

- Organizing and hosting media press trips to Ontario
- Undertaking partnerships in exclusive and major media events
- Collaborating with CTC
- Representing Ontario at international media trade shows, press luncheons and sales calls

Travel Trade Strategy

- Work with industry to develop and introduce new export-ready product to the market
- Gain valuable market information and new networking opportunities through trade contacts, participation at key trade shows and in-market representatives
- Increase the number of targeted, OTMPC-led sales missions, which:
 - bring Ontario suppliers together with European travel trade contacts
 - provide invaluable experience to Ontario suppliers looking to expand their European sales
- Increase partnerships with key Europe-based tour operators through joint-marketing agreements (JMAs)

2004–2005 Program Summary

Target Audiences

- U.K.: 25–45 years and over, affluent singles, well-educated couples travelling without children
- Germany: 45–65 years, affluent, well-educated, travelling without children
- France: 35+ years, affluent, well-educated couples travelling without children

Key Trade Show Activities

In-market and OTMPC travel trade representatives to attend key trade shows, including:

- Rendez-vous Canada (Montreal) May 2004
- Top Resa (France) September 2004

- Ontario/Quebec Marketplace (Quebec) September/October 2004
- World Travel market (U.K.) November 2004
- Spotlight Canada (U.K.) March 2005
- ITB (Germany) March 2005

Travel Trade Relations

- Joint-marketing agreement (JMA)-driven initiatives (e.g., new product development, product testing/familiarization tours, travel trade education, consumer advertising and promotions)
- Targeted sales missions
- In-market representation (U.K. and Germany)

Media Relations

Three key year-round activities:

- Story ideas/newsletter (distributed to travel writers, media organizations via in-market PR representatives)
- Travel trade shows and media events, including U.K. press luncheon and media calls, Germany; (OTMPC or in-market PR representatives participate year-round)
- Hosting media trips

For more information about European marketing activities, please visit www.tourismpartners.com and choose 'Partnership Opportunities'.

"After a film crew from the BBC visited our property last October for the production of the show *You Call the Shots*, we were inundated with enquiries from the U.K. about Whirlpool Jet Boat Tours. During spring and summer of 2003, every week at least one tourist mentions they saw the show on the BBC last October."

—Andrew Morden
Whirlpool Jet Boat Tours

Asia-Pacific

Although the Asia-Pacific market is small in terms of visitor volume, it has great potential, and is already generating a significant portion of Ontario's tourism-based foreign currency earnings. Asia-Pacific travel to Ontario

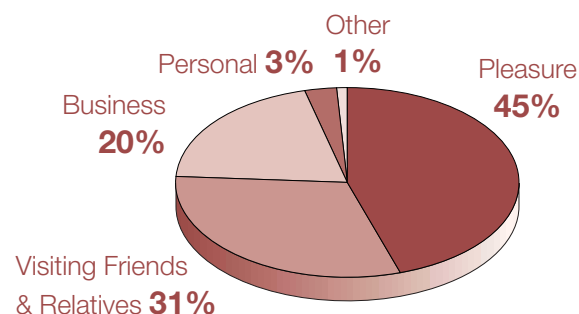
grew throughout the 1990s, but fell abruptly in 1998, following the Asian financial crisis.

The events of September 11, 2001, decreased consumer confidence and made short-haul travelling within the Asia-Pacific region increasingly attractive. Long haul travel in the short- to medium-term during the peak 2001 fall foliage season was greatly impacted. The pent-up post-9/11 demand saw the Japanese travel market rebound during the 2002 fall colours touring season, with all indicators showing that it was the second-highest fall colours period in the history of autumn touring. The increase in travel continued to grow into the months of November and December, and into the spring. In the spring of 2003, the SARS outbreak had an immediate negative impact on this very safety-conscious market with border crossings into Ontario sharply declining in the second quarter of 2003.

China is showing some potential of growing as a major new international tourist generator. In the short- to medium-term, Canada obtaining approved destination status remains a necessary condition in capturing this market and will influence the timing of any of OTMPC's marketing efforts to this market. OTMPC is monitoring emerging markets for opportunities.

In 2001, Asia-Pacific residents took close to 700,000 overnight trips, contributing \$0.7 billion to the Ontario economy. Overnight pleasure trips equalled 245,000 and generated \$279 million in revenue for Ontario. Ontario's primary Asia-Pacific overnight pleasure market is Japan, accounting for 29% of all visitors to Ontario from this country in 2001. Japan accounted for 106,000 overnight pleasure trips, which generated \$128 million in expenditures.

Asia-Pacific – Total Overnight Trips



Average length of Japan overnight pleasure trip: 3.5 nights
Average spend of Japan overnight pleasure trip per person: \$721.

Source: Statistics Canada, International Travel Survey, 2001.

2002–2003 Asia Pacific Marketing Examples

Consumer Advertising

- Spring 2002 Ontario solo consumer magazine promotion focusing on gardens, wine regions and other touring experiences through articles in six high-end women's magazines with a total circulation of over three million

Travel Trade

- Completed six tour operator JMAs which leveraged \$4 in partnerships for every \$1 invested by OTMPC. The agreements focused on promoting travel during the shoulder seasons of spring and winter.

Specific examples include:

- A partnership with Nippon Travel Agency and Nippon Express Travel to develop the 'Golden Circle Route' Fall Foliage touring program in their main brochure (circ. 30,000) for a six-night exclusive Ontario program – breaking away from the traditional Maple Route of combining Quebec and Ontario
- A gardening program created in partnership with JTB World using the popular publication 'Shumei no Engei'. The total combined audience reached by the publication and television program was estimated at one million.

Media Relations

- Coverage in major Japanese magazines including *Crea*, *Bene Bene* and *Delicious* as well as the daily newspaper *Sankei Shimbun*. Together, these four outlets reached a total audience of over 2.5 million people and generated over \$4 million in editorial coverage
- Hong Kong media exposure generated over \$1.5 million in unpaid editorial coverage to an audience of over four million prospects

2004–2005 Asia-Pacific Goals

- Strengthen travel trade activities
- Target high-yield prospects through strategic, integrated joint marketing programs with leading tour operator partners, the CTC, and major airlines
- Begin to restore overnight leisure visitation back to pre-9/11 levels over the next five years
- Introduce new 'export ready' experiences to markets

Consumer Marketing Strategy

- Continue to be proactive in developing trade partnerships and marketing support
- Continue to build our relationship with CTC through participation in appropriate consumer marketing campaigns
- Identify and promote new Ontario-supplier experiences

Markets:

- Primary market – Japan
- Secondary markets include Hong Kong, South Korea, Australia and Taiwan (opportunities will be evaluated on a case-by-case basis)

Audience:

- 45+ years, couples and women travelling as a group, career women over 30 (Office Ladies), student market (Shugaku Ryoko)

Media Relations Strategy

Build top-of-mind awareness for Ontario destinations through editorial coverage in Asia-Pacific media outlets, including national lifestyle and travel magazines, newspaper sections, radio broadcasts, television and Internet. OTMPC's strategy will include:

- Organizing and hosting media press trips to Ontario
- Partnership in exclusive and major media events
- Collaboration with CTC

Travel Trade Strategy

Continue to work with CTC to build the Ontario brand among the Asia-Pacific travel trade operators by:

- Liaising with CTC offices to obtain valuable in-market intelligence and other assistance for OTMPC and its partners
- Supporting CTC partnership opportunities with Asia-Pacific-based tour operators that benefit Ontario
- Utilizing OTMPC in-market representative to provide timely market intelligence and build trade relationships
- Developing new JMAs with trade partners in Japan
- Conducting targeted sales missions in key Asia-Pacific markets to bring Ontario suppliers and Asian travel trade contacts together

"We really appreciate OTMPC's partnership in a joint marketing with JTB to augment marketing initiatives to promote Ontario in the Japanese Market."

– Tak (Isao) Onaga
General Manager
JTB International (Canada) Ltd.



PIA Magazine (Japan)



Nippon Travel Express, Golden Circle Route (Japan)



Garden & Garden Magazine, JTB/OTMPC Spring 2003 Campaign (Japan)



MR Magazine (Japan)



"Overseas visitation to Ontario was also affected by the SARS outbreak, the U.S.-Iraq War and other world events in 2003. Through strengthened OTMPC trade activities in Europe and Asia-Pacific, Ontario maintained positive relationships with overseas tour operators. In 2004, OTMPC will have a new focus on sales, new in-market representation and more emphasis on working with tourism industry partners while maintaining key relationships with the travel trade and expanding Ontario's product offerings overseas. Through these efforts, we feel that the overseas markets will rebound in 2004-2005."

– Mike Ruby
Chair, OTMPC Overseas Committee
President, Muskoka Language International



Mexico – An Emerging Market

Foreign travel by Mexicans has grown steadily over the past few years. The Canadian Tourism Commission's Market Priorities Assessment (MPA) ranks Mexico as Canada's fifth-largest international market. As an upcoming opportunity, OTMPC is monitoring market development in Mexico. There has been an increase in visitation to Ontario from this market since 1996 and pending availability of funds and market conditions, OTMPC is evaluating opportunities for targeted marketing activities in this emerging market in partnership with the Canadian Tourism Commission (CTC) and interested Ontario suppliers.



2004–2005 Program Summary

Target Audiences

- Primary market: Japan, 45+ years, couples and women travelling as a group, career women over 30 (Office Ladies), student market (Shugaku Ryoko)

Key Trade Show Activities

In-market and OTMPC travel trade representatives to attend key trade shows:

- Rendez-vous Canada (Montreal) May 2004
- Showcase Canada (covering Taiwan, Korea, Hong Kong, South East Asia) October 2004
- Kanata (Japan) October 2004
- Ontario/Quebec Marketplace (Quebec) September/October 2004
- Canada Corroborees (Australia) January 2005

Travel Trade Relations

- Joint-marketing agreement (JMA)-driven initiatives (e.g., new product development, product testing/FAM tours, consumer advertising and promotions)
- Targeted sales missions
- Retain in-market representation in Japan
- Produce collateral materials in market-specific languages
- Educate travel trade sector about Ontario products and how to sell these to consumers

Media Relations

Key year-round activities include:

- Story ideas/newsletter distributed to travel writers, media organizations (via in-market representatives and local CTC offices); partner submissions welcome
- Hosting media tours

For more information about Asia-Pacific marketing activities, please visit www.tourismpartners.com and choose 'Partnership Opportunities.'

Product Development



The Stratford Festival of Canada. The King and I, April 28 to November 9, 2003. Photo credit: Michael Cooper.

To increase competitiveness and consumer appeal, it is essential that OTMPC engage in the development of new tourism products that support the Ontario brand and positioning while providing points of differentiation in a crowded marketplace. These products represent Ontario's 'best in class' and signature products which are at the centre of OTMPC's experience-based and core marketing efforts.

In consultation with the industry, and supported by comprehensive research, existing products and suppliers are organized into new and unique travel experiences which are developed to fulfill specific goals of providing greater appeal to, and purchase by, target audiences. Product offerings fall under Ontario's three core product lines for promotion and delivery to prospects:

- Outdoor
- City
- Town and Country Touring

Product lines reflect the priority travel experiences in highest demand among Ontario's target audiences, providing an ideal context for bringing Ontario to life and showcasing diverse product offerings in a highly focused manner.

As part of our overall market development strategy in place since 1999, OTMPC has supported and maintained an industry-driven process focusing on the market-readiness of Ontario tourism products and suppliers. An industry-led committee represents each product line (Outdoor, Town and Country and City), providing crucial consultation, technical support and guidance in

the development and creation of marketing strategies. The introduction of the Northern Tourism Marketing Committee within the OTMPC structure, in 2003, provides an excellent opportunity to develop additional travel experiences for Northern Ontario in conjunction with the Outdoor product committee.

Product Development Process

Through a dynamic private/public marketing partnership, OTMPC applies a five-phase process to develop new products and to ensure their market-readiness:

- Phase 1: Outline the priority
- Phase 2: Clarify the experience and hone collective marketing skills
- Phase 3: Bring the product to 'life' (introduction to market)
- Phase 4: Traditional 'marketing' activity integrated with OTMPC efforts
- Phase 5: Sustainability and ongoing partnership

Power of Partnership Examples

2002–2003

- OTMPC continues to build on partnerships with the Ontario industry, other levels of government and non-traditional partners to coordinate and maximize opportunities to bring products and experiences to life. Over the past two years OTMPC has cooperatively worked with operators, FedNor and MNDM (Ministry of Northern Development and Mines)/NOHFC (Northern Ontario Heritage Fund Corporation) to develop ATV Ontario. This multi-dimensional approach to partnering will continue in 2004–2005.

- With 13 successful product alliances in place and five more in development, the innovative line of Ontario products and experiences continues to grow. A total of 276 alliance members brought over \$1 million into the program to partner with OTMPC during 2003. One year earlier, a number of alliances were realized under Journeys of Discovery and Meetings, Conventions and Incentive Travel (MC&IT) became a sub-committee of the North Americas market committee.

2004–2005 Product Development Goals

The following are OTMPC's goals for product development:

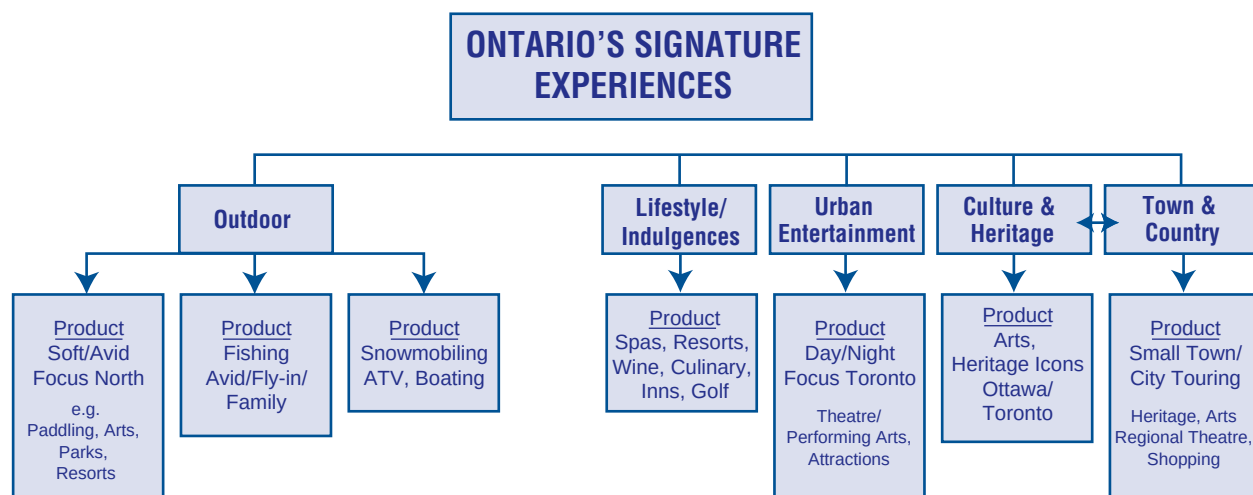
- To ensure that products developed are competitive and appealing to consumers
- To communicate to tourism operators the importance and benefits of promoting the tourism experience, rather than the particulars of the product or region
- To integrate product alliance resources and efforts within overall OTMPC experience-based and core marketing activities

2004–2005 Supplier Development Strategies

To maintain ongoing relationships with the Ontario tourism industry and to encourage partner participation, OTMPC hosts annual industry workshops covering key aspects of product development, marketing, and sales.

Topics include:

- 'How to package a product' (visit our web site [www.tourismpartners.com] to view Product Development guides)
- Advanced and introductory 'travel trade selling' (provides a focused setting with selected buyers and suppliers to gain understanding of the market and begin relationship building)
- 'Experience-based marketing' provides an introduction to suppliers and associations on how to present experiences to consumers





- Tourism consultants and advisors within field offices of the Ministry of Tourism and Recreation and the Ministry of Northern Development and Mines deliver many regional and local introductory workshops on 'Packaging and Travel Trade.' For a listing of regional offices, visit www.tourism.gov.on.ca and click 'About the Ministry' and then 'Regional Offices'.

For more information about OTMPC's product development, please visit www.tourismpartners.com and click 'Product Development'.



Suzanne Janke – Chair,
OTMPC Town & Country Committee
Director of Marketing – Tourism,
Chateau des Charmes Winery



Jennifer East – Chair,
OTMPC Outdoor Committee
Director, Killarney Mountain Lodge



Gino Giancarlo – Chair,
OTMPC City Committee
Senior Vice-President –
Sales, Tourism Toronto

"The product committees worked with OTMPC staff and product facilitators to develop the new experience-based marketing strategy. In 2004–2005, this will enhance OTMPC's competitiveness in the marketplace versus other destinations through an emphasis on signature and 'best in class' Ontario travel experiences to create a distinctly unique and powerful Ontario travel identity."



Contact Us

Key Contacts

Please visit OTMPC's corporate web site **www.tourismpartners.com** to find everything from news briefs and announcements to buy-in opportunities.

Sales and Partner Support

Here are the people you can contact about becoming a partner with OTMPC in existing and new marketing, advertising and partnership initiatives:

Partnership Development 1-888-365-4422

otmpc.sales@mczcr.gov.on.ca

Nicole Papineau

Partnership Development and Sales Manager

416-212-1886

Brynda Browning

Partnership Development and Sales Assistant

416-314-6314

1-888-365-4422 (toll-free)

Market News and Program Updates

We want to ensure that all of our partners stay informed and up-to-date on marketing and business-related news and opportunities. To add your name to our distribution list for further correspondence and news updates, please call:

Brynda Browning

416-314-6314



Ontario Tourism Marketing Partnership Corporation
An Agency of the Government of Ontario