

annual report
OTMPC



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2005-2006 ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

ONTARIO
Yours to discover

BOARD DIRECTORS

Ontario Tourism Marketing Partnership Corporation's Board of Directors provides industry leadership and policy and strategic direction to the operation of the Corporation. The Board is responsible for the overall management of OTMPC and is ultimately accountable to the Minister of Tourism.

Current Board Directors, 2005–2006

Mr. William M. Duron, Chair
Chief Executive Officer, Royal Agricultural Winter Fair
Toronto
June 14, 2005–June 13, 2007

Mr. Anthony Annunziata, Vice Chair
Executive Director of Marketing, Casino Niagara
Niagara Falls
July 4, 2001–September 23, 2006

Mr. Donald Black
Deputy Minister, Ministry of Economic Development and Trade
Toronto
October 7, 2004–October 6, 2007

Mr. Antoni Cimolino
Executive Director, Stratford Festival of Canada
Stratford
February 6, 2002–March 22, 2009

Ms. Bonnie Crombie
Partner, Pinnacle Policy Group
Toronto
March 23, 2006–April 22, 2007

Mr. Paul Dinner
Vice President, Hospitality Markets–Ontario
Royal Bank of Canada
Burlington
February 6, 2002–March 22, 2009

Mr. Michel Gauthier
Senior Advisor, Canadian Tulip Festival
Ottawa
June 1, 2005–May 31, 2007

Mr. Ken Lambert
Vice President, Sales & Marketing, Delta Hotels
Toronto
April 12, 2002–April 10, 2008

Mr. Roger Liddle
Vice President, Liddle's Fishing Adventures Inc.
North Bay
September 24, 2003–September 23, 2006

Mr. Charles Lorimer
Vice President, Sales and Marketing,
Clublink Corporation
King City
October 12, 2004–November 11, 2005

Ms. Virginia McKenzie
Owner, Temagami Anishnabi Tipi Camp, Bear Island
Lake Temagami
July 10, 2003–July 9, 2006

Mr. Edward Meijer
General Manager, Valhalla Inn
Thunder Bay
July 10, 2003–July 9, 2006

Mr. Joel Peters
Vice President, Marketing & Commercial Development
Royal Ontario Museum
Toronto
February 27, 2003–February 26, 2005

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Canada

OTMPC Inquiries

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Travel Information for Ontario

1-800-668-2746 (English)
1-800-268-3736 (French)

Partner site: www.tourismpartners.com
Consumer site: www.ontariotravel.net

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2005–2006 ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

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message FROM THE CHAIR

IT WAS A BUSY YEAR WITH A BROAD RANGE OF ACCOMPLISHMENTS, EACH ONE A STEP in bringing us closer to making Ontario a top-ranked, four-season tourism destination.

WE REFRESHED THE ONTARIO BRAND and strengthened our direct connection with consumers when the Ontario Travel Information Centres were rolled into our operation. Consumer user sessions on www.ontariotravel.net grew to 2.6 million, a 13 per cent increase over last fiscal year.

We strengthened our industry partnerships as well. Partnership contributions increased over last year. User sessions on the industry website www.tourismpartners.com increased by some 33 per cent. And this

year, we were pleased to welcome the Northern Ontario Heritage Fund Corporation to our Northern tourism marketing partnership.

We celebrated the industry's best at the first-ever Ontario Tourism Marketing Awards.

But progress did not come without challenges, especially with respect to the U.S. market. The slowing U.S. economy, the higher exchange rate and the rising cost of fuel cut significantly into visitation rates.

I would like to thank Minister Bradley and his staff for their ongoing support of the tourism industry but especially for their engagement in U.S. border issues. It is absolutely vital that we resolve these border concerns in ways that keep the cross-border traffic flowing smoothly.

Beyond our borders, globalization continues to reshape the tourism industry. China is opening up, for example, and Ontario is well-positioned to benefit from the opening of this new market that is expected to generate 100 million travellers annually.

While worldwide tourism is growing, so is tourism competition from national, state and municipal governments. Looking ahead, one of our growing challenges will be to finance our marketing efforts at the right level to remain competitive in the global tourism market.

On a more personal note, this was my first year as OTMPC Chair. I have been truly impressed with our committee members, the sophistication of their input to discussions and the level of their commitment to the partnership.

I have also been impressed by how well the management and staff of OTMPC take advice from industry in the development of strategies and programs, and how well they have adapted as the organization evolved from being a branch of the ministry to being an agency.

On behalf of the entire OTMPC team – staff, management, committee and Board members – I thank you for your support, your energy and your determination.

We accomplished much during this busy year, which has laid a firm foundation for even more progress next year in making Ontario a “must-see” destination for travellers from around the world.

William M. Duron, Chair
Ontario Tourism Marketing Partnership Corporation

**THIS YEAR,
we celebrated
the industry's
best at the
first-ever
Ontario Tourism
Marketing
Awards.**

corporate OVERVIEW



ONTARIO PLAYS A VITAL ROLE IN CANADA'S TOURISM INDUSTRY, CONTRIBUTING ALMOST 33 PER CENT

of national tourism revenues. More than 118 million domestic and international travellers visit Ontario each year. Tourism directly contributes well over \$9.2 billion to the provincial GDP.

THE ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION (OTMPC) was established in 1999 to support Ontario's tourism industry. It is a consumer-driven business partnership between the tourism industry and the Government of Ontario with the following objectives:

- To promote Ontario as a prime tourist destination in both domestic and international markets.
- To generate a vibrant and compelling image of Ontario as a premier four-season tourist destination.
- To achieve its marketing goals through partnership with industry and government stakeholders.

OTMPC works strategically, proactively and collaboratively with the tourism industry to market Ontario as a travel destination in key markets. By working continuously to improve and evolve as a successful private/public

partnership, OTMPC plays a key role in strengthening Ontario's tourism economy and establishing Ontario as a premier, four-season destination.

OTMPC Values Statement

As an agency of the Ministry of Tourism, OTMPC supports the following value statement:

Innovation	We value creativity and support new ideas.
Quality	We strive for excellence in everything we do.
Accountability	We take responsibility for our decisions and actions.
Integrity	We are ethical and honest and build our relationships on trust.
Respect	We treat each other and those we serve with courtesy, fairness and dignity.

OTMPC MANDATE

To market Ontario, in partnership with the private sector, as a travel destination to maximize opportunities of the tourism sector for the overall benefit of Ontario.

OTMPC CORPORATE VISION

To position the Ontario Tourism Marketing Partnership Corporation as the leading tourism marketing agency in Canada.

OTMPC VISION FOR ONTARIO

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

OTMPC MISSION

To grow Ontario's tourism sector year-round by stimulating increased consumer spending and visits and by generating greater partnership participation.



OTMPC Organizational Structure

OTMPC’s industry-led Board of directors is supported by the following committees:

- Executive Committee, which sets overall priorities and recommends objectives and strategies
- Nominations Committee, responsible for succession planning and recruitment of industry-led marketing committees
- Market Performance Assessment Committee, which ensures appropriate measures are in place for regular reporting to the Board
- Finance and Audit Committee, which oversees and monitors OTMPC’s financial reporting systems.

To support OTMPC in the delivery of tourism marketing products and services in Northern Ontario, the Northern Tourism Marketing Committee was established in March 2003.

The marketing committees provide further guidance in the development and creation of marketing strategies for OTMPC. More than 100 industry volunteers serve on these committees for two-year terms,

operating on a consensus basis and providing input based on their product, field or regional expertise.

OTMPC committees:

- North America
- Meetings Conventions and Incentive Travel Subcommittee
- Outdoor
- Town and Country
- Overseas
- Northern Tourism Marketing

OTMPC Staffing/Fulltime Equivalent (FTE)		
FTE Count	2005–2006	2004–2005
SMG	5	4
MCP/EXCL	7	4
AMAPCEO	16	9
OPSEU	32	32
Total	60	49
Vacant FTE	11	7

A WORD FROM OUR PARTNERS

“Given the staggering number of travel options facing consumers, solid marketing programs combined with strong partnerships between DMOs and trade clients is paramount to capturing Ontario’s market share from Europe.”

Roseanne Longo
Chair, OTMPC Overseas Committee;
Vice President, Leisure Trade Sales
Tourism Toronto

tourism 2005–2006

A YEAR IN REVIEW



VISITATION TO ONTARIO INCREASED STEADILY IN THE LATE 1990s.

Several factors had a positive impact on tourism: the strong North American economy, high consumer confidence, the weak Canadian dollar – which attracted international visitors – and increased marketing of Ontario as a travel destination.

BY 1998 AND 1999, U.S. TRAVEL TO ONTARIO reached record levels of 30.2 million and 30.0 million visitors respectively.

However, as the millennium ended, negative factors were emerging. A slowdown in the U.S. economy became evident. The terrorist attacks of 9/11 had an immediate negative impact on Ontario's tourism sector.

A cycle of change, which included the Iraq war, terrorist attacks and increasingly stringent border-crossing requirements, resulted in economic, attitudinal and behavioural shifts that profoundly affected the tourism sector.

Ontario Market

Visitation from within Ontario grew by 2 per cent in 2005, reaching 90.8 million trips. Economic forecasts predict further growth for the next several years with an annual growth rate of about 2.6 per cent.

Strong consumer spending and better-than-expected manufacturing performance contributed to a 2.7 per cent expansion in Ontario's real GDP in 2005. Also during this period, employment grew a respectable 1.3 per cent, wages and salaries increased and house prices appreciated. All these factors combined to anchor the pickup in consumer expenditure.

Number of Visitors to Ontario by Ontario Residents

2001-2006

('000)	2001	2002	2003	2004	2005(F)	2006(F)
Total	90,740	95,664	85,985	88,998	91,411	94,512
% Change		5.4%	-10.1%	3.5%	2.7%	3.4%
Same Day	57,965	59,819	54,663	55,713	57,004	58,857
% Change		3.2%	-8.6%	1.9%	2.3%	3.3%
Overnight	32,775	35,845	31,322	33,285	34,407	35,654
% Change		9.4%	-12.6%	6.3%	3.4%	3.6%
Business	8,875	8,351	6,752	7,328	7,651	8,131
% Change		-5.9%	-19.1%	8.5%	4.4%	6.3%
Non-Business	81,865	87,313	79,223	81,670	83,760	86,381
% Change		6.7%	-9.3%	3.1%	2.6%	3.1%

Source: Statistics Canada: Canadian Travel Survey; MTOUR Forecast October 2005



Domestic travellers have both a high awareness of Ontario as a travel destination and hold positive perceptions of it as a destination. Ontario represents a familiar and “easy” vacation destination and continues to be highly regarded for its extensive outdoor product offering.

The unfolding “cultural renaissance” presents new and exciting opportunities to showcase Ontario in a new and different way to consumers.

Quebec Market

In Quebec, slower growth in consumer spending limited expansion in provincial GDP to 2.4 per cent in 2005. However, Quebec contributed 3.5 per cent of visitation to Ontario and is the second largest domestic market after Ontario.

U.S. Market

Historically, there is a strong correlation between travel to Ontario and the U.S.–Canadian exchange rate. Recently, the decline in travel

to Ontario triggered by the depreciation of the U.S. dollar was also exacerbated by anti-American sentiments internationally, high gas prices and the pending introduction of passport requirements for travel abroad. As a result, Americans travelled within the United States. Also, Ontario’s (and especially Toronto’s) recent security and crime issues may have tarnished the province’s reputation as a suitable family destination.

Compared to 2005, U.S. border crossings to Ontario in 2006 are forecast to decrease, resulting largely from a significant decline in U.S. same-day trips to Ontario.

Overseas Market

Overseas visits to Ontario continued to grow in 2005. Significant increases were seen in three of Ontario’s primary overseas markets: the United Kingdom grew by 13.6 per cent, Germany grew by 10.2 per cent and Japan grew by 20.3 per cent. Further growth is forecast for 2006.

STRATEGIC PRIORITIES: 2005–2006

AS AN AGENCY OF THE MINISTRY OF TOURISM, OTMPC supports the ministry’s goal to work jointly with the tourism industry to increase sustainability and growth of tourism in Ontario and contribute to economic prosperity, job creation and higher quality of life for Ontarians.

In 2005–2006, OTMPC focused on the following priorities:

1. Enhancing visitor experiences through Ontario Travel Information Centres
2. Developing of new brand positioning
3. Raising awareness of Ontario as a travel destination
4. Exploring emerging opportunities through consumer research and targeted marketing
5. Positioning Ontario for growth through new initiatives
6. Using www.ontariotravel.net as the primary call-to-action on all marketing campaigns

performance HIGHLIGHTS



THE YEAR 2005–2006 MARKED A RENEWED SPIRIT OF INNOVATION FOR OTMPC. The corporation introduced new and expanded programs that built on marketing opportunities and solid partnerships.

THE YEAR ALSO REPRESENTED A RETURN TO CORE FUNDING LEVELS.

On March 31, 2005, the tourism recovery and revitalization funding period came to completion.

The province's 18 Ontario Travel Information Centres, located at the U.S./Ontario border crossings and high traffic tourism areas, were transferred from the Ministry of Tourism on April 1, 2005, to OTMPC. This move will strengthen consumer-focused strategies as part of the Ministry's Ontario Tourism Strategy.

OTMPC continued to focus on holding and growing market share and capitalizing on business opportunities. The corporation set a key strategic priority to improve Ontario's image over the next few years as a "must visit" destination. During the year, the framework to present Ontario to consumers in a fresh, new and exciting way was built.

Research in 2005 provided vital industry and consumer insights that led to the establishment of an Ontario Brand Review. As a result of this initiative, the refreshed "Ontario Yours to Discover" slogan was launched. The new slogan refines the message to consumers that with the diversity and quality of experiences to discover across Ontario, we make it easy for all our visitors to have a great time.

By enhancing marketing initiatives that support ever-evolving consumer needs and interests, OTMPC realigned its strategy and priorities by maximizing experiential and destination marketing efforts identified in Ontario's new brand positioning. Overall, brand messaging added significant value and integration to marketing partnerships.

OTMPC identified emerging opportunities in key segments such as baby boomers, new immigrants and Ontarians of Chinese and Japanese heritage. New research identified a means to develop and broaden

marketing strategies through proactive communications approaches for specific travel interests. The potential is enormous, and OTMPC is well positioned to take full advantage of the opportunity to develop new travel consumers.

New marketing initiatives during the year also included: the launch of a new Chinese-language consumer web site www.ontariotravel.net/china designed to attract visitors from this important, growing overseas market; a refreshed redesign of the adventure web site www.ontariotravel.net/outdoor directing consumers to industry partners; the addition of new summer routes to the successful Ontario's Great Drives Program; and the province-wide distribution of *Ontario Travel Discoveries* magazine through its new partnership with Roots.

World events and challenges experienced in recent years, such as rising fuel costs, exchange rates, and border crossing issues have deeply affected travel patterns. Above all, OTMPC has been flexible in responding with aggressive and innovative marketing plans and strategies that address a constantly changing environment. OTMPC will continue to stimulate growth across its key markets to attract visitors at home and abroad.

**OTMPC IDENTIFIED
EMERGING
OPPORTUNITIES
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consumer RESEARCH

AN EXTENSIVE MARKETING RESEARCH PROGRAM GUIDES OTMPC'S MARKETING INITIATIVES.

It begins at the strategic development phase and continues through testing of the creative to measuring performance.

IN 2005-2006, OTMPC REVISITED THE ONTARIO BRAND PROMISE.

The brand was tested extensively using focus groups in several core domestic and U.S. markets from May to July 2005. New advertising concepts based on this research were developed for the domestic, Quebec and U.S. markets. All new creative concepts were tested with consumers prior to execution to ensure that the campaigns were compelling and strengthened the Ontario brand.

The ongoing advertising evaluation study measured results of every seasonal campaign, including awareness of advertising, incremental trips and revenues generated, as well as the impact of advertising on key brand measures. The study also provides important new tools to measure performance and for accountability, as well as input to further refine OTMPC's campaigns.

From September to November 2005, OTMPC conducted research within the Cantonese-speaking Chinese-immigrant population in Toronto to identify potential new target markets. By segmenting the Chinese immigrant

population into three distinct groups – new immigrants, immigrants who have been living in Canada for over 10 years and second generation Chinese immigrants – the research uncovered differences in travel interests, which led to the identification of new marketing communications approaches.

Marketing research also supported the Cultural Tourism Initiative. First the proposed advertising creative was tested in all core markets; then, after the campaign was launched on March 5, 2006, results were measured through quantitative advertising evaluation research.

The Travel Intentions Study provides early indicators of consumer intentions to travel during the summer season. Conducted in partnership with the Ministry of Tourism, this study helps OTMPC determine investment allocation by market and be proactive in market development efforts.

Some of the overseas markets are among OTMPC's best performing markets and provide growth opportunities. In partnership with the Canadian Tourism Commission and other provinces, OTMPC researched Japanese and Chinese consumers in 2005–2006. Results of this research provided information on Canada's competitive position, consumer perceptions and interests, as well as consumer profiles to enable better targeting.

**OTMPC CONDUCTED
RESEARCH
within the
Cantonese-
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ONTARIO'S DOMESTIC MARKET IS BY FAR THE LARGEST SOURCE OF VISITS AND REVENUES for the Ontario tourism industry accounting for 75 per cent of total trips and 52 per cent of total spending.

NORTH AMERICA MARKETS

THE U.S. BORDER MARKETS ARE THE SECOND LARGEST SOURCE OF TOURISM, representing 15 per cent of trips to Ontario and 83 per cent of total U.S. trips to the province. Quebec accounts for about 3 per cent of tourism trips and 4 per cent of tourism spending.



OTMPC's overall marketing objective is to increase overnight leisure travel to destinations throughout Ontario in all four seasons. In Ontario, the focus is on the key travel seasons of summer, fall and winter with a smaller effort in the very short and product limited spring season.

For the Quebec market, OTMPC's focus is on promoting summer and fall visits; for the U.S. market, its focus is on raising awareness of Ontario as a short getaway destination and building overnight visitation to pre-SARS levels.

Families and affluent couples are OTMPC's primary target markets. Summer marketing activities target families, while marketing initiatives in other seasons targets adults and couples.

Programs and activities in the North America market focused on consumer advertising and promotions, as well as niche markets in the U.S. market. These niche markets included the gay, lesbian, bisexual and transsexual (GLBT) market segment; travel trade; media relations; and meetings, conventions and incentive travel.

North America Advertising

The domestic market, OTMPC's largest market, was identified as having the greatest potential for growth in 2005–2006; the U.S. market, however, continued to be challenging. Several factors such as the slowing U.S. economy, the weakening U.S. dollar, rising fuel costs, changing consumer sentiments and increasing border-crossing issues impeded the return to pre-9/11 levels.

OTMPC's summer program centred on television spots throughout Ontario and in key U.S. cities, including Buffalo, Rochester, Syracuse, Cleveland and Detroit. Newspaper advertising promoted various unique Ontario experiences targeting 18 Ontario major markets and the same five U.S. near-border cities.

This provided OTMPC partners with opportunities to participate in these newspaper promotions. In June, superboard advertising expanded to include the cities of Buffalo, Rochester, Syracuse and Detroit.

The *Ontario Travel Discoveries* magazine, polybagged with *Food & Drink* magazine, was distributed by the LCBO throughout Ontario. The magazine was also distributed at the "Union Station Domination" event in partnership with the tourism industry.

OTMPC's marketing to Quebec highlighted unique-to-Ontario activities and summer family fun experiences. In Montreal, the multi-media campaign included radio, newspaper and CAA magazine advertising. Interactive components of the summer campaign in the domestic, U.S. and Quebec markets included a micro site and on-line advertising.

Summer program marketing generated: \$28 million in visitor spending domestically, \$13 million in revenues from the United States and \$1 million in revenues from Quebec. Overall summer micro site user sessions totalled 188,000.



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In 2005, OTMPC developed its first gay, lesbian, bisexual and transsexual (GLBT) niche market program. The campaign included advertising in national magazines, community newspapers, on-line and partnership activities with the Canadian Tourism Commission and Tourism Toronto.

For the fall program, the multi-media campaign included television, newspaper and radio advertisements in the Ontario, Montreal and U.S. markets.

The *Ontario Travel Discoveries* magazine fall edition was distributed in the domestic market via the *Globe and Mail* and at OTMPC's "Union Station Domination" partnered event.

Another first included OTMPC's and its partners' participation in the "Arts, Beats and Eats

Festival" in Pontiac, Michigan, with over 1.2 million in attendance. This unique event created a one-on-one interaction between consumers and Ontario's products and experiences. OTMPC received tremendous feedback from industry partners, media and consumers on the success of the showcase.

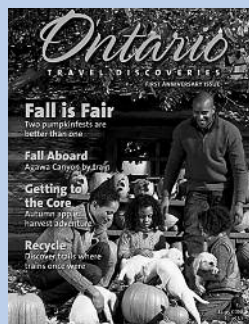
The domestic and Quebec fall campaigns generated \$28 million and \$2 million in revenues respectively. The U.S. fall campaign resulted in \$18 million in revenue.

OTMPC's domestic core winter campaign included television, interactive/online and distribution of *Ontario Travel Discoveries* magazine via *Globe and Mail* newspaper and "Union Station Domination" event, generating an estimated \$13 million in visitor expenditures.

Meetings, Conventions and Incentive Travel

In 2005–2006, OTMPC's strategic direction continued to focus on maximizing growth and promotion of Ontario's meetings, conventions

PROMOTING ONTARIO: *Ontario Travel Discoveries* Magazine





and incentive travel (MC&IT) destinations and products by participating in key industry trade shows and events attended by planners and influencers of meetings, conferences and incentive travel. Ontario and participating destination marketing organizations (DMOs) were profiled at:

- “Springtime Expo” in Washington
- Meeting Professionals International’s (MPI) World Education Conference
- American Society of Association Executives (ASAE)
- IncentiveWorks
- Hospitality Sales and Marketing Association International’s (HSMIA) Affordable Meetings – National Exposition and Conference
- European Incentive Business Travel Meetings (EIBTM) Global Meetings & Incentives Exhibition.

In partnership with 12 Ontario suppliers, OTMPC coordinated tradeshow promotion during the Canadian Society of Association

Executives’ National Conference & Showcase and successfully produced an Ontario client reception attended by over 85 senior planners.

OTMPC sponsored an Ontario-themed reception during the Society of Incentive & Travel Executives’ (SITE) International Conference in Toronto, attended by over 400 international incentive travel planners.

In partnership with Tourism Toronto, Ottawa Tourism and the Windsor Convention Visitors Bureau, OTMPC hosted “Ontario Day” during the Professional Convention Management Association’s (PCMA) Annual Meeting, attended by over 3,000 convention planners and suppliers. In addition to on-site promotional activity, Ontario’s presence was enhanced through program advertising, a five-page advertisement in *Convene* magazine and web links on PCMA’s web site.

OTMPC participated in the Canadian Tourism Commission’s (CTC) Minneapolis Sales Mission, attended by over 31 key corporate and incentive clients. The new “Meeting & Convention” portal was added to the consumer web site www.ontariotravel.net, highlighting

PROMOTING ONTARIO: Targeting Quebec Markets





destination products and links, key resources and a “Request For Proposal” feature.

To support trade and promotional activity, OTMPC produced a 36-page Incentive Travel Guide for distribution at industry shows and conferences, CTC sales missions, mailing lists and trade media.

**THE NORTH
AMERICA media
relations program
significantly
expanded its
reach over the
previous year....**

North America Media Relations Program

The North America media relations program significantly expanded its reach over the previous year, generating media coverage with a value of more than \$52.5 million. As well, major broadcast television coverage was realized, notably in the final episode of CBS’ “Amazing Race: The Family Edition,” which reached a prime-time audience of over 13 million in December 2005.

Domestically, OTMPC placed travel stories in the *Toronto Star*, *Toronto Sun*, *National Post*, *Globe and Mail*, *Ottawa Citizen*, *Montreal Gazette*, *Vancouver Sun*, *Destinations*, *L’Express*, *Calgary*

Herald, *Privilege* magazine and *St. Catharines Standard*. Television coverage of Ontario travel stories included CTV’s *Valerie Pringle Has Left the Building* and Canada AM and CBC Radio One’s *Fresh Air*. Inroads were also made into the francophone Quebec media market through publications such as *Coup de Pouce* and *Loulou*.

In the U.S. market, OTMPC placed stories in major newspapers (*New York Times*, *New York Post*, *Washington Times*, *Chicago Tribune*, *Associated Press*, *USA Today*, and *San Francisco Chronicle*) as well as in major travel and leisure publications such as *Endless Vacation*, *Hooked on Outdoors*, *Arthur Frommer’s Budget Travel*, *Shape* and *Bon Appétit*.

OTMPC sponsored an Ottawa show with PBS’s *Culinary Travels* with *Dave Eckert* and supported *TravelScope* with Joseph Rosendo for two radio documentaries and a PBS documentary about the Cree Ecolodge in Moose Factory.

Progress was also made with both broadcast radio, notably the hugely popular *Dining Around With Gene Burns* on ABC San Francisco’s ABC KGO’s radio, coverage on NPR and coverage of the Cree Ecolodge on Sirius satellite radio. Internet media continued to grow in importance, and Ontario stories regularly appeared on NationalGeographic.com and *ArthurFrommersBudgetTravel.com*.

PROMOTING ONTARIO: Postcard Campaigns





Destination Marketing

OTMPC takes a proactive approach to partnering with large provincial destination marketing organizations (DMOs) that have marketing strategies consistent with those of OTMPC. OTMPC partners with DMOs to target priority markets such as the domestic (Ontario and Quebec) and U.S. near-border states.

The goal of the partnered campaigns is to generate incremental visitation and overnight stays to the respective destinations. Successful campaigns in 2005 included:

- Ottawa Spring Getaways Campaign resulted in an increase of 177 per cent in packages over 2004
- Ottawa Summer Getaways Campaign with a 97 per cent increase in package sales and 212 per cent increase in room-night sales
- Kingston Summer-Fort Henry's postal code reporting by families from the GTA upon entrance to the Fort revealed an increase of 100 per cent over last year
- Georgian Bay/Collingwood's – Blue Mountain Getaway Campaign increased by 6,000 room-nights in January and February.

Tourism Event Marketing Partnership Program

Through the Tourism Event Marketing Partnership Program (TEMPP), OTMPC partners with Ontario organizers to enhance tourism marketing activities of their events. Since 1999, the program has provided \$17 million in funding to over 750 festivals and events. OTMPC worked with partners to market over 100 events province-wide including: Canadian Aboriginal Festival in Toronto, Caribana in Toronto, Niagara Ice Wine Festival in St. Catharines, Festival Franco Ontarien in Ottawa and the Kapuskasing Lumberjack Festival in Kapuskasing.

Industry Partners Proposal Program

OTMPC also partners with destination marketing organizations (DMOs) and tourism marketing consortia through the Industry Partners Proposal Program (IPPP) to promote regional tourism experiences.

In 2005–2006, OTMPC provided financial assistance to nine DMOs to enhance tourism marketing activities of their respective campaigns. A total of \$390,000 was provided to the organizations.

Successful campaigns included the Tourism Association of Patricia Region, which generated 23,688 bed-nights and over \$2.7 million in direct tourism spending for the region.

A WORD FROM OUR PARTNERS

"In winter of 2006, Blue Mountain Village Association partnered with OTMPC in a co-op winter marketing campaign. Our mutual goal was to promote short-stay, winter getaways in Ontario. Working together, we got the word out that Blue Mountain has grown into a vibrant and inviting ski destination centred around a lively pedestrian village.

OTMPC team offered friendly, collaborative and professional campaign execution support resulting in a win-win partnership and more importantly winter lodging sales growth over the previous year."

Bev Philp

Member, OTMPC North America Committee

Vice President, Sales and Marketing

Blue Mountain Resort, Collingwood



OVERSEAS MARKETS

OTMPC'S OBJECTIVE IN ITS OVERSEAS MARKETING INITIATIVES is to increase the value and volume of overnight trips to Ontario from its key foreign markets.

Primary overseas markets include the United Kingdom, Japan and Germany, with France as a secondary European market. Europe constitutes Ontario's largest overseas market. In 2004, total visits from this market totalled nearly 1.1 million resulting in \$1.2 billion in expenditures. The Asia-Pacific region accounted for 678,000 visits and \$759 million in expenditures in 2004.

Overseas growth-opportunity markets include Mexico, South Korea, China and Australia. In 2004, Mexico accounted for 78,000 visits and \$99 million in expenditure.

IN 2004, visits from Europe totalled nearly 1.1 million resulting in \$1.2 billion in expenditures.

OTMPC uses a mix of trade development/promotion, media relations and consumer communications to raise awareness and drive sales of Ontario tourism products and services.

Partnership and relationship-building with key travel influencers and distributors in these markets is a key strategy in leveraging Ontario's presence overseas.

European Market

In 2005–2006, OTMPC partnered with 20 tour operators in the United Kingdom and Germany in joint marketing agreements (JMAs), investing \$470,000 that brought 137,200 visitors to Ontario and Toronto. Tourism Toronto continues to be a major partner in joint marketing activities overseas.

OTMPC partnered with Tourism Toronto in an extensive U.K. fall campaign promoting pre-Christmas-shopping packages and short getaways to Toronto and Ontario. The campaign consisted of inserts in the

following magazines: *Sunday Times Travel*, *Style (Sunday Times)*, *You (Mail on Sunday)* with a combined circulation of 815,000; outdoor advertising in London's "Underground" utilizing bill boards and in-car panels; radio advertising on *Heart 106.2*; national press advertising and trade press advertisements.

A U.K. sales mission was held June 11–18, and a German sales mission was conducted June 20–24. OTMPC and Ontario delegates visited nine U.K. and 14 German key tour operators to provide product training to 450 reservation agents. In Ireland and Germany, 60 agents attended OTMPC breakfast seminars.

The World Travel Market in London, England, was held November 14–17, 2005. Ontario, partnering with Tourism Toronto, enhanced its presence at the show by participating in the CTC Canada Stand. OTMPC had 50 appointments with U.K. tour operators to finalize JMAs for co-op promotions and co-hosted a themed function of the *Lord of the Rings* stage production.

OTMPC attended "Spotlight Canada", a U.K. trade show organized by the CTC March 12–15, 2006, which included 27 meetings with major U.K. tour operators and wholesalers. OTMPC, jointly with Tourism Toronto, hosted a reception on March 12 for travel trade clients.

OTMPC attended International Tourismus-Börse (ITB) in Berlin March 8–12 as part of the CTC Canada Pavillion. Ontario enhanced its presence by showcasing a Native dance group and a canoe builder during consumer days. Some 140,000 consumers and 70,000 trade participants attended. Over the course of the show, 40 meetings were held with the travel trade.

In Berlin, the CTC organized a client appreciation event at the new Canadian Embassy sponsored by the provinces, including Ontario.

OTMPC hosted numerous familiarization trips for over 350 travel agents and reservation agents from Mexico, the United Kingdom and Germany. This provided OTMPC with an opportunity to showcase new and existing Ontario tourism products to overseas trade.



Mexico

OTMPC attended the CTC tradeshow Conozca Canada October 5–8, 2005. The show included a one-day seminar and marketplace for 300 travel agents, a media event, networking opportunities and one-on-one meetings with 30 Mexican tour operators.



Asia-Pacific Market

The Asia-Pacific market generated \$760 million in 2004, or 32 per cent of the overseas visitor spending in Ontario. OTMPC's marketing focus is on Japan, Australia, South Korea and China.

In January 2005, China announced it would grant approved destination status (ADS) to Canada. Should ADS designation occur, Canada would receive Chinese tourist groups through travel agents authorized by the China National Tourism Administration. By 2020, China is forecasted to be the world's fourth largest generator of out-bound tourism, producing 100 million travellers annually.

For a second year, Ontario's Deputy Minister of Tourism led a mission to Japan and a first-time visit to China. The delegation met with key tour operators, travel industry organizations and senior government officials.

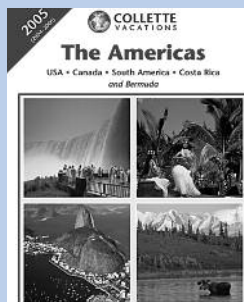
In 2004–2005, OTMPC negotiated 15 joint marketing agreements (JMAs) with key Japanese industry partners and expanded sales promotions with HIS Travel. Partner contributions totalled over \$1 million on an OTMPC investment of over \$400,000.

OTMPC hosted five familiarization tours involving 70 tour operators from Asia-Pacific markets. As to trade shows, OTMPC actively participated in numerous trade shows. These included Kanata-Japan, Showcase-Korea, Corroboree-Australia, CITM-China, Active America-Portland, and JATA-Japan. At JATA, 10 Ontario tourism stakeholders participated in an Ontario Marketplace where over 110 participants representing 83 companies held meetings with Ontario suppliers.

In Shanghai, OTMPC and the Ontario Investment Marketing Centre coordinated a visit to Ontario by a Chinese television program that reached an audience of over 120 million, coverage valued at \$2 million.

Additionally, OTMPC organized six press trips with representatives from 30 media outlets. Overall, Asia-Pacific media results for 2004–2005 generated coverage valued at \$7.2 million.

PROMOTING ONTARIO: Tourism Travel Partners Promote Ontario





TOURISM CONSUMER INFORMATION SYSTEM

OTMPC'S TOURISM CONSUMER INFORMATION SYSTEM (TCIS) SHOWED STEADY GROWTH through 2005–2006. TCIS incorporates a consumer web site at www.ontariotravel.net, an industry web site at www.tourismpartners.com, the 1-800-ONTARIO call centre and a fulfillment centre.

User sessions at www.ontariotravel.net grew to 2.6 million, a 13 per cent increase over the previous fiscal year, and resulted in more than 70,000 registrations for the year. OTMPC campaign-based contests contributed 66 per cent of registrations at the web site.

**OTMPC'S WEB SITE
captured over
1,400 registrations,
and user sessions
increased by
33 per cent.**

Approximately 60 per cent of consumer registrants opted to receive ongoing communication from OTMPC. This percentage has been maintained since the launch of the site in 2002.

Calls to the 1-800-ONTARIO call centre have been declining over the past five years as consumers increasingly prefer to search the web for travel information. Calls to the centre in 2005 decreased by 14 per cent to approximately

251,000. In 2005–2006, consumers requested over 134,000 fulfillment pieces, of which some 26 per cent were ordered through www.ontariotravel.net.

The industry web site www.tourismpartners.com captured over 1,400 registrations. User sessions on the site increased by 33 per cent to total 109,000. OTMPC's interactive tactics, online advertising and e-mail campaigns particularly, are increasing user sessions on www.ontariotravel.net. Strong integration of the interactive channel and mass media campaigns combined with *Ontario Travel Discoveries* magazine, are attracting more visitors to seasonal web sites.

The Internet and online travel sites are permanently changing the way consumers research vacation plans. As a result, the interactive channel will continue to grow in importance. OTMPC's strategy will continue to focus on increasing consumer usage and satisfaction with ontariotravel.net and the micro sites.

The corporation will continue to implement enhancements to provide consumers with leading-edge tools to facilitate travel planning and ensure Ontario's competitive positioning. The effective integration of e-marketing campaigns with traditional seasonal, experiential and destination-based campaigns will enhance online initiatives, and optimize creative messaging and off-line media strategies.

PROMOTING ONTARIO: Television Campaigns





ONTARIO TRAVEL INFORMATION CENTRES



IN APRIL 2005, THE ONTARIO TRAVEL INFORMATION CENTRES (OTICs) WERE TRANSFERRED from the Ministry of Tourism to the Ontario Tourism Marketing Partnership Corporation. These 18 OTICs are located at United States–Canada border crossings and in other high tourism traffic areas. In 2005, these centres attracted 1.8 million visitors.

OTIC's mandate is to expand revenue and retention capacity, to increase services to visitors through strategic partnership alliances, while meeting fiscal requirements and supporting OTMPC marketing initiatives as well as the Ministry's Ontario Tourism Strategy.

OTMPC strategic partnerships and services have expanded to inspire, introduce, invite

and intrigue visitors to experience Ontario, its people, communities, attractions and the many amenities that keep visitors coming back to Ontario. Strategic partnerships have resulted in:

1. Service Partnership Alliances

Partnerships with the City of Toronto, United Counties of Prescott-Russell and Township of South Glengarry were formed to bring a regional flavour to OTICs by placing speciality staff in centres in Toronto, Lancaster and Hawkesbury to greet visitors. This provides a unique opportunity to entice visitors to visit niche markets within these gateway centres.

2. Economic Partnership Alliances

Partnerships continue to grow and develop. In 2005–2006 these alliances resulted in a revenue stream of \$870,000. Partnerships have been initiated to increase revenue and to enhance visitors' vacation experiences by providing additional services at the centres, such as:

- Sale of Niagara Parks passes, which allowed visitors to purchase a pass without having to pick it up elsewhere.

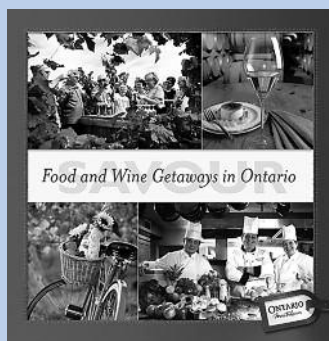
PROMOTING ONTARIO: Ontario Travel Information Centres and Ski Show





- Merchandising/Souvenir Sales Program, in partnership with Ontario Parks, which created an opportunity for visitors to take a memento of Ontario back home.
 - Partnership with Ticket King, which enabled the sale of Mirvish Productions theatre tickets, including *The Lord of the Rings* stage production at four OTICs.
 - Renewed and expanded OTMPC partnership with Custom House Currency Exchange across 12 OTICs, which provides such added services as GST rebates, additional currency exchange services at the Toronto OTIC, and more strategic joint-marketing initiatives.
 - An Advertising Program throughout the centres, which offers the industry opportunities to advertise programs, products and services at OTICs, and has resulted in a very successful uptake by the industry.
3. Specialized Media/Industry Partnership Alliances
- The Ontario Travel Information Centre in Barrie has an on-site studio where it produces specialized travel activity reports that are broadcast live and taped voice-information media broadcasts. MP-3 digital recording technology was added to the program to facilitate editing, recording and access of media to the reports.
 - The centre produces a series of specialized reports including reports on ski conditions for alpine and cross-country ski resorts and snowmobilers, weekly events, provincial parks campsite vacancies, ice fishing, spring blossoms, summer theatre, bird migration and fall colours reports. Reports are aired as public service announcements sponsored by private-sector companies.
 - Some 140 radio stations subscribe to the broadcast news network and utilize the information for their daily broadcasts, as well as to create strategic partnerships with, but not limited to, the Ontario Ski (snow) Resorts Association, Ontario Federation of Snowmobile Clubs and Ontario Parks.
 - A review of the program by an external news media buying service was undertaken to assess the value of the program. The winter ski reporting segment, which runs from December 3 to March 27, was valued at \$20 million in PR benefits and \$6.9 million in unpaid media time.

PROMOTING ONTARIO: Getaways, Resorts and Travel Kiosks



northern tourism MARKETING



TOURISM IS ONE OF NORTHERN ONTARIO'S MOST IMPORTANT INDUSTRIES, accounting for direct tourist expenditures in 2004 of more than \$1.7 billion.

STRATEGIC TOURISM DEVELOPMENT AND MARKETING PARTNERSHIP FOR NORTHERN ONTARIO

IN MAY 2004, OTMPC AND INDUSTRY CANADA – FEDNOR entered into a multi-year partnership to provide strategic support for Northern Ontario's tourism industry.

During the second year, the partnership expanded to include the Northern Ontario Heritage Fund Corporation (NOHFC). In 2005, the partnership continued to be successful in leveraging and coordinating investments generating an overall budget of \$2.2 million for 2005–2006.

Partner investments breakdown as follow: FedNor at 35.5 per cent; OTMPC at 34.7 per cent; NOHFC at 15.5 per cent and the private sector at 14.4 per cent. This funding was directed to building Northern partnership strategies through the following three key initiatives:

1. **Supplier Development / Capacity Building**
E-commerce and Customer Relations Management Training was undertaken during nine sessions with 217 participants. This program was also offered across southern Ontario by the Ministry of Tourism. "From Here to Success" marketing workshops were delivered for potential suppliers. These eight two-day sessions focused on applying research to build a winning marketing plan.
2. **Marketing Alliance Partnerships**
Motorcycle and RV research was completed for Northern Ontario to assist in the development and marketing of these growing areas.
3. **Strategic Marketing for Northern Ontario**
OTMPC's angling program "Go Fish" continued for a third year with the support for additional U.S. market tactics. *North Shore Stories*, 13 30-minute episodes of a HDTV series, was developed in partnership with Northern communities for the U.S. market.

A WORD FROM OUR PARTNERS

"By establishing the Northern Tourism Marketing Committee and a Northern Office, OTMPC recognizes the unique needs and challenges facing the tourism industry in Northern Ontario.

Continuing to foster strong partnerships with communities, organizations and the private sector will be critical in the future if we, as an industry, are going to keep evolving and growing as an economic generator for the North. OTMPC should be commended for lending its support to help facilitate this important process."

Ian McMillan
Member, OTMPC Northern Tourism
Marketing Committee
Director of Tourism
Tourism Sault Ste. Marie



In 2005–2006, OTMPC's Northern office in Sault Ste. Marie, coordinated 22 consumer trade shows and attended eight angling shows in Ontario and U.S. near-border states.

**OTMPC ATTENDED
nine snowmobile
shows in Ontario,
Quebec and
U.S. near-border
states to support
“Snowmobile
Paradise Ontario.”**

The micro site www.ontariotravel.net/gofish attracted 87,696 visitors and 5,280 registrants for the on-line contest.

To support the “Snowmobile Paradise Ontario” program, OTMPC attended nine snowmobile shows in Ontario, Quebec and U.S. near-border states. Campaign results on www.ontariotravel.net/snowmobile between September 15 and March 15 reached over 48,225 visitors and drove close to 5,000 registrants to the contest.

Destination Nord distributed 80,000 copies of the French edition of the 2005–2006 *Cultural Nature and Adventure Guide* at four consumer shows in Quebec and through web and phone inquiries.

Northern Ontario Native Tourism Association (NONTA) used international and U.S. programs to help market their remote aboriginal partners. Moccasin Trails Inc. (a division of NONTA) increased total sales to almost \$750,000. A consumer advertising campaign conducted by Ontario's North reached 3.4 million qualified travellers in U.S. border states.

Northern Ontario Tourism Outfitters (NOTO) distributed 125,000 copies of the 2006 *Outdoor Adventure Guide* and 80,000 CDs at two Ontario and six U.S. trade shows, 11 All-Canada shows, travel clubs, the Ontario Travel Information Centres, 1-800 ONTARIO and www.ontariotravel.net

PROMOTING ONTARIO: Television Commercials



experiential MARKETING



IN 2005–2006, OTMPC CONTINUED TO DEVELOP NEW NICHE MARKETING PARTNERSHIPS and broader, experience-based vertical partnerships.

Outdoor: Nature and Adventure

The Great Ontario Outdoor Adventure Program, launched in February 2006 at the Toronto Advil Outdoor Adventure Show, promotes outdoor nature and adventure experiences year-round via www.ontariotravel.net/outdoor. The site connects consumers with over 400 buyable packages provided by partners. By fiscal year-end, the site recorded over 123,000 user sessions.



In 2005–2006, the program successfully attracted significant corporate support from Fuji Film Canada, Mountain Hardware, National Event Management and Ontario Parks. It is supported by the Strategic Tourism Development and Marketing Partnership for Northern Ontario, OTMPC partner Industry Canada FedNor and NOHFC. The Outdoor program forms a key element of OTMPC's Northern Ontario marketing plan.

The program utilized a number of key initiatives all designed to drive the consumer to www.ontariotravel.net/outdoor, including:

- Integration and coordination of Arts in the Wild and Paddling Ontario programs.
- The 2006 Great Ontario Outdoor Adventure calendar was utilized as the key

Consumer fulfilment tool. Some 100,000 copies were distributed through direct mail and targeted retail distribution in 25 GTA Blacks Camera Stores, Mountain Equipment Co-op stores and adventure retailers.

- FUJIFILM Great Ontario Outdoor Adventure of a Lifetime contest promoting Ontario's world-class, sub-arctic experience was launched in February 2006 with over 8,100 registrations by fiscal year end. The contest closed October 15, 2006.
- Program advertisements placed in *Canadian Geographic* and key tourism publications, including all Northern Ontario regional Tourism Association publications and *Ontario Parks Guide*.
- Partnership with the Ontario Snow Resorts Association in the 2006 *Ontario Winter Guide* and attendance at the Toronto Ski and Snowboard Travel Show.

Great Drives

In 2005, OTMPC launched a touring program under the umbrella "Great Drives." Its objective was to connect the many experiences across Ontario into suggested itineraries and experiences to encourage consumers to explore and increase spending.

Great Fall Drives was launched in the fall 2005 with 24 partners. Key strategic partners included Ontario's Finest Inns, AVIS, Resorts Ontario, Choice Hotels and Ontario Parks.

The program included a 32-page, full-colour, fall booklet polybagged with the CAA magazine, *Leisureways*. OTMPC created new online mapping and route profiles for 19 partnered destinations and routes representing over 200 individual tourism partners.

Online advertising was extremely successful, driving over 30,000 visitors to ontariotravel.net/greatdrives and 8,700 contest entries during the 10 week fall season. The booklet was the third most-downloaded piece on www.ontariotravel.net with 11,000 downloads.



Distinctive Getaways

Ontario has a strong product base in the theatre, leading with the iconic Mirvish Productions, Shaw Festival and Stratford Festival of Canada. For

2005, a 20-page booklet was glued into OTMPC's Ontario Travel Discoveries magazine and a new web portal at www.ontariotravel.net/theatre was developed. Over 6,300 copies were downloaded from the site. Theatre Getaways packages continue to show strong sales. On an investment of \$80,000, sales of over \$850,000 were realized.

There was a continued integration of partnerships with Saviour Ontario with the redevelopment of www.ontariotravel.net/savour and a key strategy of growing OTMPC's online database. E-mail deployments generated close to 30,000 entrants into the Ultimate Wine and Culinary Getaways contest with the prize of a \$6,500 weekend in Niagara's Wine Country. Of the

30,000 new entrants, 76 per cent were new to OTMPC and 64 per cent opted for further communication.

OTMPC and Attractions Ontario collaborated to develop and distribute 1.3 million copies of *Attractions Ontario* passports including a new distribution and marketing arrangement with Pizza Pizza. E-mail and

radio spots in the Ontario market prompted dramatic increases in web traffic and contest entries were up over the previous year.

Overall visits to www.attractions.ontario.ca increased from 36,460 visits in 2003 to 64,573 in 2005. Membership also continues to grow from 176 members in 2003 to over 400 members in 2005.

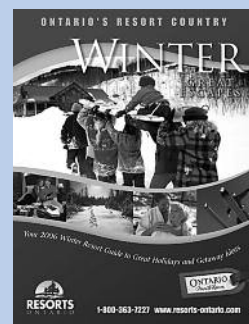
OTMPC partnerships produced the following results:

- Premier Spas of Ontario supported increased room-night sales of 27 per cent from 2004;
- Ontario's Finest Inns resulted in 44,155 inquiries with 929 room-nights booked;
- Resorts Ontario launched a new brand through the distribution of a series of inserts in the *Globe and Mail* and selected postal walks. The program generated a 200 per cent increase in phone calls and mail-in information requests and a 60 per cent rise in web site visits.

OTMPC partnered with the Canadian Golf Tourism Alliance to market Ontario as a premier golf destination in June. The initiative targeted U.S. near-border markets with television commercials on the Golf Channel in Rochester, Buffalo, Albany and Cleveland. It was also supported with retail and direct-mail programs promoting Muskoka, Niagara and Toronto golf courses. Total program costs were \$450,000. Some \$3.27 million in media value was generated with OTMPC's contribution of \$200,000.

OTMPC PARTNERED
with *Canadian*
Golf Tourism
Alliance to
market Ontario
as a premier
golf destination.

PROMOTING ONTARIO: Theatre, Spas and Winter Activities



industry RELATIONS



OUR CONTINUING SUCCESS IS BUILT ON SOLID PARTNERSHIPS THAT BRING TOGETHER THE BEST-OF-THE-BEST to develop innovative products and market-savvy solutions.

2005 ONTARIO TOURISM MARKETING SUMMIT

OTMPC ORGANIZED THE FIRST-EVER ONTARIO TOURISM MARKETING SUMMIT with the tourism industry. The event took place from October 19–20, 2005. Celebrating marketing excellence and innovation in the Ontario tourism industry, the summit featured insightful discussions, innovative marketing ideas and valuable networking opportunities for industry partners and leaders.

More than 400 tourism industry stakeholders attended. The strong turnout was encouraging and indicative of the industry's determination in seeing the recent gains made in tourism recovery continue. The event's success underscored that the spirit of tourism partnership and cooperation is strong in Ontario.

Keynote speakers included Michele McKenzie, President and CEO of the Canadian Tourism Commission (CTC), who provided insights into CTC's view of the industry and plans for the future and Michael Adams, President of Environics Research Group, who engaged the audience with valuable research highlighting social trends in tourism.

Themed "Simply the Best!," the 2005 Tourism Marketing Awards Gala honoured the best in marketing excellence and innovation and acknowledged those who successfully promoted the province as a must-see destination. Award winners were recognized for their valuable contributions made over the past year. Nominations were open to all organizations or individuals in the tourism industry operating in Ontario. The categories covered key tourism sectors including travel trade, industry, journalism and photography. More than 100 nominations were received.

ONTARIO TOURISM MARKETING SUMMIT WINNERS

2005 WINNERS

Best Tourism Campaign under \$100,000

- Gold: Scenic Caves Nature Adventure
- Silver: Prince Edward County - Taste the Country
- Bronze: Trent Hills and District Chamber of Commerce

Best Tourism Campaign over \$100,000

- Gold: Royal Ontario Museum - Art Deco Exhibit
- Silver: City of Toronto Special Events
- Bronze: Wine Council of Ontario

Tourism Marketing Partnership of the Year – Tourism Industry

- Art Gallery of Ontario/Royal Ontario Museum/
Gardiner Museum

Tourism Marketing Partnership of the Year – Travel Trade

- Ontario Motor Coach Association

Travel Journalism – Canada

- Barbara Ramsay Orr for "Drawing on the Wild Side"

Travel Journalism – United States

- Lucy Izon for "Niagara"

Travel Photography

- Gary Cralle

Special Tourism Revitalization Award

- David Mirvish



CORPORATE COMMUNICATIONS

IN 2005–2006, OTMPC CREATED A NEW CORPORATE COMMUNICATIONS UNIT to help communicate the agency's overall marketing activities to industry, government, media and other stakeholders. OTMPC is committed to delivering quality service to stakeholders, partners and colleagues.

Working closely with marketing, sales and media relations staff, Corporate Communications develops and implements targeted, strategic communications, public relations and media programs to proactively enhance OTMPC's profile externally and internally. Communications initiatives include: support for marketing program and campaign launches; implementation of customer service plan;

production of newsletters, publications, media releases and other communications vehicles to update the industry on OTMPC initiatives; and further development of the partners' web site www.tourismpartners.com.

Corporate Communications coordinated the October 18–19, 2006, Ontario Tourism Marketing Summit and Tourism Marketing Awards. This event built on past successes and demonstrates OTMPC's leadership in marketing to industry.

OTMPC will continue to foster dialogue among both existing and new tourism industry stakeholders and work to identify and anticipate the needs of the industry, improve communication networks and strengthen stakeholder relations.

PARTNERSHIP SUPPORT

IN ADDITION TO PUBLIC FUNDING, INVESTMENT BY THE TOURISM INDUSTRY in OTMPC's programs and initiatives has been critical to the successful marketing of Ontario. Partnership contributions via cash, in-kind services or leveraged dollars have steadily increased since OTMPC's inception in 1999.

This support has enabled OTMPC to evolve its leadership role in areas such as marketing expertise, creative execution and stakeholder

facilitation. OTMPC was able to maintain leverage and cash flows through partnership in 2005–2006 with:

- Destination Marketing Organizations
- Canadian Tourism Commission
- Overseas tour operators
- More than 9,000 tourism suppliers across the province

For a breakdown of partner investment over the previous three years, see the table below:

PARTNER INVESTMENT (IN MILLIONS)

	2003–2004			2004–2005			2005–2006	
	Target	Core	Actual	Recovery	Target	Core	Actual	Recovery
Cash	7.5		5.8	2.3	7.5		4.9	3.1
Leverage	10.0		7.4	2.4	10.0		5.1	8.0
In-kind	1.2		1.2	2.8	1.2		1.0	1.7
	18.7		14.4	7.5	18.7		11.0	12.8
							9.0	14.1

Notes:

Cash: Dollar amount received by OTMPC directly or through an intermediary for participation in an OTMPC-led and delivered program.

Leverage: Dollar value of the advantage that OTMPC's investment in projects create.

In-kind: Fair-market value of services provided by industry partners in the participation of OTMPC-led and -delivered programs.



RETURN ON INVESTMENT 2005–2006



CAMPAIGN	TRIPS GENERATED (000s)	REVENUES GENERATED (\$millions)	ROI	COST/PERSON TRIP
Domestic Market				
Ontario Market	396	\$69	8	\$22
Summer	140	\$28	7	\$29
Fall	169	\$28	12	\$14
Winter	87	\$13	6	\$25
Quebec Market				
Quebec Market	15	\$3	4	\$55
Summer	5	\$1	2	\$94
Fall	10	\$2	6	\$35
U.S. Near-Border Market				
US Near Border Market	106	\$31	6	\$52
Summer	38	\$13	5	\$72
Fall	68	\$18	7	\$40

financial STATEMENTS 2005–2006

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION AND TO THE MINISTER OF TOURISM

We have audited the balance sheet of Ontario Tourism Marketing Partnership Corporation as at March 31, 2006 and the statements of operations and accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by other auditors.



Chartered Accountants
Mississauga, Ontario
May 19, 2006

BALANCE SHEET

March 31	2006 (\$ 000)	2005 (\$ 000)
ASSETS		
Current		
Cash and cash equivalents	19,006	23,541
Accounts receivable	1,651	2,163
Due from the province	588	1,229
Prepaid expenses	717	929
	21,962	27,862
Loan receivable (Note 3)	3,087	—
Capital assets (Note 4)	1,701	2,715
	26,750	30,577
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	9,899	8,914
Deferred revenue (Note 5)	2,114	10,061
Lease obligations	—	17
	12,013	18,992
Deferred revenue (Note 5)	3,000	3,000
Equity		
Accumulated Surplus	11,737	8,585
	26,750	30,577

Approved on behalf of the Board:



Chair



Director

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2006 (\$ 000)	2005 (\$ 000)
Revenues		
Province of Ontario Grant (Note 6)	55,686	63,940
Advertising sales	3,679	7,373
Travel Information Centres- Sales and rentals	963	—
Interest income	410	260
Trade promotions	380	154
Government of Canada	128	—
Marketing research and other revenue	35	466
Amortization of deferred contributions	—	64
	61,281	72,257
Expenses		
Advertising and sales promotion	32,678	45,674
Trade development	5,212	2,965
Travel Information Centres (Note 7)	5,577	—
Administration (Note 8)	5,572	4,990
Tourism consumer information services	3,774	4,002
Events marketing program	2,993	8,154
Research	1,197	1,580
Amortization of capital assets	1,014	981
Board and committee expenses (Note 9)	112	149
	58,129	68,495
Excess of revenues over expenses	3,152	3,762
Accumulated surplus, beginning of year	8,585	4,823
Accumulated surplus, end of year	11,737	8,585

STATEMENT OF CASH FLOWS

For the year ended March 31	2006 (\$ 000)	2005 (\$ 000)
Cash provided by operating activities		
Excess of revenues over expenses	3,152	3,762
Add (deduct) non-cash items:		
Amortization of capital assets	1,014	981
Amortization of deferred contributions	—	(64)
	4,166	4,679
Change in non-cash working capital	(5,597)	1,658
	(1,431)	6,337
Cash used in investing and financing activities		
Loan receivable	(3,087)	—
Capital asset additions	—	(758)
Lease obligations	(17)	(202)
	(3,104)	(960)
Increase (decrease) in cash during the year	(4,535)	5,377
Cash and cash equivalents, beginning of year	23,541	18,164
Cash and cash equivalents, end of year	19,006	23,541

NOTES TO FINANCIAL STATEMENTS March 31, 2006

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (OTMPC) was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Corporation commenced active operations on April 1, 1999. The objects of the Ontario Tourism Marketing Partnership Corporation are:

- (a) to market Ontario as a travel destination;
- (b) to undertake joint marketing initiatives with the tourism industry;
- (c) to support and assist the marketing efforts of the tourism industry; and
- (d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

In accordance with the Regulation, as amended by Ontario Regulation 271/04, the mandate of the Corporation has been extended indefinitely.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue Recognition

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – Sales and rentals

Revenue from Advertising sales and Travel Information Centres – Sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest Income is recognized in the period in which it is earned.

Other

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Donated Services

The Corporation benefits from services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and term deposits that are readily convertible into cash with original maturity dates of less than ninety days.

(e) Capital Assets

All capital assets are recorded at cost except for contributed capital assets which are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over five years.

(f) Partnerships

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. Partner revenues and expenses are not included in the Corporation's financial statements.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Financial Instruments**

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. LOAN RECEIVABLE

Loan receivable is from LOTR Toronto Management Corp. OTMPC was directed by the Minister of Tourism to execute a subordinated loan agreement with LOTR Toronto Management Corp. in the amount of \$3,000,000 for pre-production costs related to the stage production of Lord of the Rings. The loan is funded from the 2004/2005 Revitalization budget, outside the OTMPC base budget. When the loan is repaid the proceeds will accrue to the OTMPC budget.

Interest on the loan is 4.12% per annum. Repayment of the loan and accrued interest will begin when the show enters Post-Recoupment as defined in the loan agreement.

4. CAPITAL ASSETS

	2006 (\$ 000)			2005 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture	279	266	13	18
Leasehold improvements	432	416	16	24
Tourism consumer information system	4,007	2,514	1,493	2,375
Assets under Capital Lease	589	410	179	298
	5,307	3,606	1,701	2,715

5. DEFERRED REVENUE

	2006 (\$ 000)	2005 (\$ 000)
Cultural Tourism Strategy – Province of Ontario	1,981	–
Revitalization Program – Province of Ontario	3,000	12,889
Advertising programs	133	172
	5,114	13,061
Less: Current Portion	(2,114)	(10,061)
	3,000	3,000

6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding from the Province as follows:

	2006 (\$ 000)	2005 (\$ 000)
Core funding	40,678	38,637
Tourism Recovery Program	–	25,303
Travel Information Centres	4,200	–
Deferred from 2004/2005	9,889	–
Summer Experience Program	276	–
Northern Ontario Heritage Fund	342	–
Tourism Strategy	65	–
Innovation Fund	236	–
	55,686	63,940

The Corporation received funding from the Province for a Tourism Recovery (Revitalization) Program to counter the impact of Severe Acute Respiratory Syndrome (SARS) on Ontario. Under this program, the Corporation received funding and made expenditures as follows:

	2006 (\$ 000)	2005 (\$ 000)	2004 (\$ 000)
Funding received	–	33,115	62,300
Funding deferred from prior year	12,889	5,077	–
Total funding available for the year	12,889	38,192	62,300
Expenditures incurred	9,889	(25,303)	(57,223)
Funding deferred to future year	3,000	12,889	5,077

Funding of \$9,889,000 deferred from fiscal 2005/2006 was used to enhance core advertising programs in fiscal 2005/2006.

7. TRAVEL INFORMATION CENTRES

Effective April 1, 2005, the Management Board of Cabinet approved the transfer of the 18 Ontario Travel Information Centres from the Ministry of Tourism to the Corporation. To cover the cost of assuming these responsibilities, the Management Board of Cabinet also approved an increase in the Corporation's revenue from the Province of Ontario by \$4.2 million.

(Travel Information Centres continues on p. 32)

7. TRAVEL INFORMATION CENTRES (continued)

In 2005/2006 the expenditures for the Travel Information Centres were as follows:

	2006 (\$ 000)
Salaries and benefits	3,094
Accommodation	1,620
Services	515
Transportation and communications	152
Supplies and equipment	108
Merchandise for sale	88
	5,577

The Corporation's contributions related to the PSPF and OPSEU pension funds for the year were \$128,606 and are included in salaries and benefits.

8. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services, were provided by the Ministry of Tourism without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2006 (\$ 000)	2005 (\$ 000)
Salaries and benefits	4,402	4,166
Services	815	460
Transportation and communications	261	248
Supplies and equipment	94	116
	5,572	4,990

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. The Corporation's contributions related to the PSPF and OPSEU Pension Fund for the year were \$229,409 (2005 – \$182,388) and are included in salaries and benefits.

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

10. SALARY DISCLOSURE

Section 3(5) of the *Public Sector Salary Disclosure Act, 1996* required disclosure of Ontario public-sector employees who were paid an annual salary in excess of \$100,000. For the Corporation, in the calendar year 2004, this disclosure requirement is as follows:

Name	Position	Salary (\$)	Taxable Benefits (\$)
McInnis, Sandra	CEO/President	\$144,172	\$221
Kenny, William	Vice President, Industry Relations & Corporate Communications	\$108,757	\$177
Row, Cheryl	Vice President, Marketing	\$105,683	\$179

11. COMMITMENTS

The corporation has various operating leases for its premises. The minimum annual lease payments for the next five years are as follows:

	(\$ 000)
2007	275
2008	274
2009	206
2010	136
2011	125

12. CONTINGENT LIABILITY

The Corporation is involved in a dispute with a former supplier over amounts billed to the Corporation of approximately \$1.5 million. The outcome is not determinable.

13. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.