

Ontario Tourism Marketing Partnership MARKETING UPDATE

News ♦ Events ♦ Business Opportunities

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MESSAGE FROM THE PRESIDENT & CEO

It is a great pleasure to join the Ontario Tourism Marketing Partnership Corporation (OTMPC) as President and CEO. Since joining the OTMPC on November 15, I have had the opportunity to get to know many of our tourism partners, operators, stakeholders and city officials across Ontario. On November 24, I attended the Annual General Meetings of the Northern Ontario Native Tourism Association (NONTA) and the Northern Ontario Tourism Outfitters (NOTO), as well as, the Eco-North 2004 Conference in Thunder Bay. Additionally, I have met with the OTMPC Board of Directors in Toronto and recently with Committee Chairs in Eastern Ontario.

At OTMPC, we are committed to building strong partnerships with the tourism industry to ensure our marketing campaigns and initiatives are strategically focussed both at home and internationally. By working together, we can achieve effective and integrated marketing programs to accelerate the growth, success and vitality of tourism in Ontario in 2005 and beyond.

ONTARIO
More to discover

The Ontario Tourism Marketing Partnership Corporation (OTMPC) is an agency of the Government of Ontario.

CONTACT

Sandra McInnis
President and CEO
Tel.: 416-314-7550
Email: sandra.mcinnis@mtr.gov.on.ca

MINISTER'S NEWS ON TOURISM RESULTS

Dear Friends:

The McGuinty government recently issued the first in a series of progress reports on Getting Results for Ontario. The 2004 Progress Report reiterated the importance of working together to grow our economy and build a high quality of life in communities across the province.

As Minister of Tourism and Recreation, I am optimistic about the important role that tourism can play in helping to achieve this goal. I want to give you the results of our government's investment in tourism revitalization, and engage your continued input on how we can boost our tourism industry, now and into the future.

The Ministry of Tourism and Recreation has invested \$96.3 million for tourism revitalization since July 2003. An analysis prepared for the ministry by the firm of PKF Consulting estimates that this has generated an additional 4.5 million tourism visits to Ontario and \$956 million in tourism spending. The investment leveraged \$25.8 million from private sectors and other partners and supported more than 13,157 direct and indirect jobs. To put these numbers into context, you may recall that from July 2003 to April 2004, Ontario lost nearly \$2 billion in tourism spending.

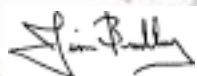
We still have not regained 2002 tourism levels, but we are closing the gap. In partnership with the tourism industry, the McGuinty government is getting results for Ontario tourism.

We've definitely come a long way, particularly this past spring and summer, with encouraging indicators on a number of fronts:

- The return on our investment is \$8.40 for each dollar invested.
- Overnight trips by U.S. visitors from April to September 2004 were up by 21.4 per cent over 2003.
- Hotel occupancy from April to September improved by 13.8 per cent.

As always, I value your feedback and input on how we can continue to promote tourism revitalization within the framework of our new *Ontario Tourism Strategy*. Thank you, and I look forward to our ongoing collaboration in building a strong and sustainable tourism industry in Ontario.

Yours sincerely,



Jim Bradley
Minister

CONTACT

For more detailed results information please visit our ministry web site at:
<http://www.tourism.gov.on.ca>

MARKETING

Domestic Winter Campaign

The overall aim of the Winter Campaign is to encourage more people to get out and experience the variety of things to see and do in Ontario this winter. OTMPC's winter campaign is fully integrated across four key communications media including television, newspaper, and the web site at <http://www.ontariotravel.net/winter>, and the Winter edition of the *inOntario* magazine. The mass marketing focuses on outdoor winter activities including resorts, winter festivals and winter in the city. The television ads will air in the Ontario market from January 10 through January 30. The newspaper campaign will run concurrently with the television ads. The *inOntario* magazine and the web site support the winter advertising campaign and provide additional information on winter getaway packages.

Looking For A "Winter Escapade" ?

OTMPC is again working with Resorts Ontario on the "Winter Escapade" program. There will be a pre and post Christmas campaign including production of 1 million copies of a full colour newspaper insert (distribution in early January) and 2-30 second radio ads promoting the resort experience and encouraging consumers to purchase Resort Gift certificates. A full interactive program driving consumers to the Resorts Ontario web site is also included in the program.

"Great Drives" in ONTARIO !

OTMPC's Town and Country Committee recently endorsed moving forward on the "Great Drives" initiative. The concept is the creation of a partnered marketing programme that offers a series of driving tours to encourage travel in and around Ontario. It includes three different drive types: Grand Tours (5-7days), Great Weekend Drives (2-3 days) and Great Day Trips from larger urban areas. Couples and small groups are seen as the target market, with the potential to tap into auto tours, RV rentals (particularly for the offshore fly/drive market) and motorcycle touring enthusiasts. The program will also be linked with the Canada's Best Drives program introduced by Toyota in 2004.

CONTACT

Mara Pezzutto
Brand Manager, North America
Tel.: 416-325-6444
Email:
mara.pezzutto@mtr.gov.on.ca

CONTACT

Carol Maxwell
Director,
Marketing Communications
Tel.: 416-314-7568
Email:
carol.maxwell@mtr.gov.on.ca

CONTACT

Marie Cheesman
Partnership Coordinator,
Pembroke
Tel.: 613-735-3231
Email:
marie.cheesman@mtr.gov.on.ca

inONTARIO MAGAZINE WINTER EDITION

The second issue of *inOntario* was well received by the industry generating over \$140,000 in revenue. *inOntario* is the primary vehicle for consumers who want to know how to enjoy Ontario's extraordinary winter travel experiences and opportunities. It is designed to inspire and excite consumers to take a getaway in the winter. Throughout the pages of *inOntario* Winter 2004, we capture and showcase special times in extraordinary places to inspire travelers to take a getaway and to get the very most out of Ontario. The cover, shot at Taboo Resort, exudes all the fun and warmth an Ontario winter can offer. The editorial features ideas on how to enjoy winter in Ontario from the great outdoors to the cozy fireside and everything in between.

Distribution of *inOntario* Winter 2004 began on November 10 at Toronto's Union Station where 25,000 magazines were handed out along with five partner brochures to commuters. In addition, LCBO distribution began outside the GTA with the Holiday issue *Food & Drink* poly bag and will continue with the Winter *Food & Drink* issue inside the GTA on January 12.

CONTACT

Nicole Leaper
Publications Manager
Tel.: 416-314-7378
Email:
nicole.leaper@mtr.gov.on.ca

inONTARIO MAGAZINE WINTER EDITION

We're always looking for ideas on what's new and exciting for travelers in Ontario. Please submit story ideas to Nicole Leaper at nicole.leaper@mtr.gov.on.ca. For sales opportunities, please contact Brynda Browning at 416-314-6314 or brynda.browning@mtr.gov.on.ca.

CONTACT

Nicole Leaper
Publications Manager
Tel.: 416-314-7378
Email:
nicole.leaper@mtr.gov.on.ca

INTERACTIVE MARKETING

Winter Micro Site Launched !

OTMPC launched the winter micro site at <http://www.ontariotravel.net/winter> on November 10 to coincide with the distribution of the *inOntario* Winter magazine. The site supports and extends the value of the magazine online and integrates packages featured in newspaper ads as part of the winter campaign and also features our vertical web sites: outdoor, snowmobiling and angling. The interactive campaign is supported by a "Win a Winter Adventure Contest in Ontario", a direct e-mail campaign and online advertising to drive web site registrations.

On the Trails

Our snowmobile site launched September 30 at <http://www.ontariotravel.net/snowmobile> along with an interactive CD that mirrors the look and feel of the site. The CD was used effectively at several trade shows to generate interest in snowmobiling in Ontario and as a drive to the web site. The interactive campaign includes a consumer contest with the grand prize of a Yamaha snowmobile to help drive registrations to the web site. Phase 2 of the site launched November 26 and includes enhanced mapping and online tools. An online advertising campaign on major web sites such as www.toronto.com, www.macleans.ca, www.canoe.ca, www.canada.com and a direct e-mail campaign were also launched for the Snowmobile Program on November 29. A second wave of online ads and direct e-mail will be deployed when the trails are open.

Make Tracks In Ontario This Winter

The outdoor vertical site has been updated for the winter season with images and packages relevant to the season. The winter highlights section of the site includes information and packages on dog sledding, ice climbing, downhill skiing, snowboarding, tubing, cross country skiing, snowshoeing and a winter sampler category featuring a variety of unique outdoor and indoor events and activities. The winter campaign includes direct e-mail and links to the "Win a Winter Adventure" contest on the winter micro site. Visit <http://www.ontariotravel.net/outdoor>.

OVER 50 Snow Adventures Now Available On Our Web Site !

There are now close to 300 packaged experiences on OTMPC's outdoor adventure web site <http://www.ontariotravel.net/outdoor>. Dog Paddling Adventures and Gordon's Park Wilderness Retreat have had media coverage as a direct result of their package listing on our site. Park Wilderness Retreat also reports the outdoor site was a significant source of general internet visits to their site. Additionally, David Wells of Naturally Superior Adventures was very pleased the Gales of November art outdoors experience package sold out following our *inOntario* magazine article.

CONTACT

Julia Holliday
TCIS Director
Tel.: 416-325-1366
Email:
julia.holliday@mtr.gov.on.ca

CONTACT

Lori Waldbrook
Market Development Manager,
Peterborough
Tel.: 705-755-2630
Email:
lori.waldbrook@mtr.gov.on.ca

TRAVEL TRADE

NTA Convention ... Another ONTARIO Success !

On November 12-16, 2004, Toronto hosted the National Tour Association (NTA) with nearly 3,000 delegates attending the largest group tour organization convention in North America. The icebreaker event, "Canadian Street Party" showcasing Ontario, the provinces and major corporate sponsors, kicked off the convention at the National Trade Centre November 13. It was an incredible demonstration of Canadian pride! During the convention, a new name for the organization was launched, **Crossphere**, The Global Association for Packaged Travel. NTA officials reported this was one of the most successful conventions in their history. Kudos to everyone who was involved!

World Travel Mart (WTM) was held November 8-11, 2004 in London, England. Ontario had an enhanced presence at the show this year through a partnership with Tourism Toronto, as part of the Canada Stand. We had 50 appointments with UK tour operators to discuss and finalize Joint Marketing Agreements (JMAS) for co-op promotions in the U.K. in early 2005.

#1 Overseas Market to Ontario The United Kingdom continues as the #1 overseas market to Ontario. Border crossings from the UK have surpassed 2002 numbers (year-to-date September) at 319,055 up from 2002 (292,152).

KANATA 2004 Trade Show

OTMPC attended the KANATA 2004 Trade Show, which took place October 18-22 in Tokyo and Osaka, Japan. OTMPC had meetings with 28 key tour operators in Tokyo and 17 tour operators in Osaka, providing an opportunity to promote new Ontario products and experiences, as well as discuss future joint marketing opportunities.

China International Travel Mart (CITM)

OTMPC, in partnership with Tourism Toronto, shared the Canada booth during the China International Travel Mart (CITM), held November 25-28 in Shanghai, China. Ontario's presence at the show enhanced our relationships with Chinese travel trade organizations and government officials, as well as reinforcing our presence in the Chinese market. Approximately 40,000 travel trade, media, consumers and government officials attended the show. In addition, meetings with the Ontario Investment Marketing Centre (IMC) took place in order to discuss new joint public relations and marketing opportunities.

CONTACT

Sandra Rice
Travel Trade, U.S. and Canada
Tel.: 519-873-4487
Email:
sandra.rice@mtr.gov.on.ca

CONTACT

Gabrielle Kotz
Trade Consultant, Europe
Tel. : 416-314-7376
Email :
gabrielle.kotz@mtr.gov.on.ca

CONTACT

Harvey Hamazaki
Trade Consultant, Asia Pacific
Tel.: 416-325-0367
Email:
harvey.hamazaki@mtr.gov.on.ca

MEDIA RELATIONS

OVER \$12 MILLION In Earned Media !

By the end of the 2nd Quarter, the North American Media Relations Program sponsored 82 press trips with 105 journalists working in print, electronic and new media. Media visited every region of Ontario from as far north as Port Severn, south to Pelee Island, west to Kenora and east to Temagami. Print results from April to September, 2004 have a **PR value of \$3,831,422 CND** (Ad value: \$957,855) with a circulation of 6,678,103. These print results appeared in newspapers such as *New York Times*, *Chicago Tribune*, *Washington Times*, the *New York Post*, *The Globe & Mail*, *The Calgary Herald*, and *L'Express*. Magazine results include *Conde Nast Traveler*, *Arthur Frommer's Budget Travel*, *National Geographic Travel*, *New England Journal of Golf*, *Automobile Magazine* and *Olin d'Eoile*.

CONTACT

Helen Lovekin
Media Relations Coordinator,
North America
Tel.: 416-314-7555
Email:
helen.lovekin@mtr.gov.on.ca

MEDIA RELATIONS

OTMPC's European Media Relations Program generated **PR value of \$2,525,316 CND** for the UK market and **\$5,778,318 CND** for the German market **totaling \$8,303,634 CND** at the end of the 2nd Quarter. OTMPC hosted 20 media fams consisting of a total of 52 media from the UK, Germany, France and Italy. OTMPC collaborated with Air Transat in Holland and Germany to provide assistance with a group media visit to promote the new direct flight from Hamburg to Toronto starting in spring 2005.

CONTACT

Diane Helinski
Media Coordinator, Europe
Tel.: 416-314-7554
E-mail:
diane.helinski@mtr.gov.on.ca

PARTNER NEWS

Fort Henry Wins Tourism Business of the Year Award !

Fort Henry in Kingston, Ontario was honoured by local business peers with the 2004 Tourism of the Year Award at a gala presentation on October 29. The staff were recognized for their efforts to produce and present the 50th Anniversary Event commemorating the long-standing performance partnership between the United States Marine Corps from Washington, D.C. and the Fort Henry Guard. Fort Henry is an heritage tourism leader in eastern Ontario, generating over \$25 million in economic impact and hosting over 160,000 global visitors annually.

Ontario Place Received International Recognition !

On November 18, 2004, Ontario Place was awarded two marketing awards and two human resources awards, the highest recognition in its industry, by the International Association of Amusement Parks and Attractions (IAPPA). Ontario Place won the Brass Ring for best web site and distinguished excellence for radio advertising among attractions with attendance between 750,000 and 1.5 million. In the Spirit of Excellence of Awards for Human Relations, it won Best Safety Program and Best Employee Recognition Program among all member attractions. The awards were presented during IAPPA's 86th annual convention and trade show in Florida.

MORE INFORMATION

Ontario Place Media Relations
Tel.: 416-314-9773
Email: media@ontarioplace.com

SALES OPPORTUNITIES

On our Web Site ...

Homepage and category banner advertising opportunities are available on the following OTMPC micro sites:

Winter micro site	http://www.ontariotravel.net/winter
Fishing micro site	http://www.ontariotravel.net/gofish
Outdoor micro site	http://www.ontariotravel.net/outdoor
Snowmobile micro site	http://www.ontariotravel.net/snowmobile

E-Marketing 2005 ...

There will be a variety of Spring/Summer 2005 e-marketing opportunities on our consumer web site <http://www.ontariotravel.net> available for buy-in on OTMPC's main consumer web site. Opportunities include: banner ads on homepage, category pages and run of site, as well as, search banners and sponsored links. Spring/Summer opportunities will go **on sale as of January 2005**. For more information about these and other OTMPC opportunities, visit our partner web site at <http://www.tourismpartners.com>

CONTACT

Brynda Browning
Partnership Development
and Sales Assistant
Tel.: 416-314-6314
1-888-365-4422
Email: brynda.browning@
mtr.gov.on.ca

TOURISM REVITALIZATION PROGRAM

As project proposals continue to be submitted, many applications are being approved for grants from the Tourism Revitalization Program's (TRP) two funds, the Event Marketing and Development Fund and the Destination Marketing Partnership Fund. Review meetings are being held on a regular basis and we continue to encourage all potential applicants to submit their projects.

The Program is currently scheduled to sunset on March 31, 2005. Now is the time to submit proposals and applications for Winter and early Spring campaigns.

For additional information about the Tourism Revitalization Program, please visit our web site at <http://www.tourism.gov.on.ca/english/about/revitalization.htm> or contact the Tourism Revitalization Office at 416-212-6754.

CONTACT

Alicia Tonks
Tourism Revitalization Office
Tel.: 416-212-6754
Email: tourismrevitalization@mtr.gov.on.ca

HAVE YOUR SAY!

Please direct feedback and comments about *Marketing Update* to Marie Hewak, OTMPC Corporate Communications.

To update your company emails or fax information, contact Brynda Browning, Partnership Development and Sales Assistant at 416 314-6314 Fax: 416 314-6976 or email: brynda.browning@mtr.gov.on.ca If you are requesting changes to our distribution list, please provide both the old and new information.

CONTACT

Marie Hewak
Corporate Communications
Tel.: 416-314-7566
Email: marie.hewak@mtr.gov.on.ca

RESEARCH UPDATE

Border Crossings: September

U.S. BORDER CROSSINGS

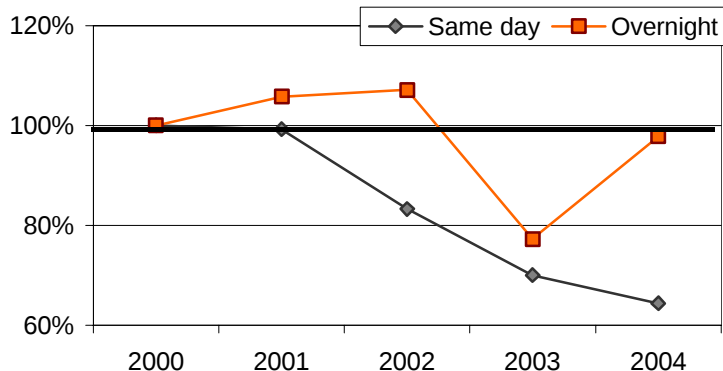
▪ U.S. overnight traffic into Ontario continued to recover from the affects of a challenging year in 2003 and increased by 24% above September 2003 levels. Moreover, U.S. overnight border crossings into Ontario were at their highest level for any September of the last four years.

▪ It was the overnight auto segment that contributed most to the positive results, increasing by 27%, and marking a four-year high. U.S. non-auto overnight (bus, plane, train) entries to Ontario exhibited a 17% increase over September 2003 approaching 2002 levels.

▪ In September 2004, U.S. same day border crossings to Ontario continued to decline modestly by 4% over September 2003. As compared to 1999, when U.S. same day border crossings peaked for the month of September, this translates into a loss of 700 thousand day trips in just one month.

▪ For the period of January to September 2004, U.S. overall border crossings into Ontario declined by 1%. This is a result of a 27% increase in overnight and 8% decline in same day border crossings.

U.S. Border Crossings to Ontario: January-September



OVERSEAS BORDER CROSSINGS

▪ Overall, overseas entries into Ontario grew by 48% over September 2003. Year-to-date, overseas border crossings into the province of Ontario were up by 36% over last year and exceeded 2002 levels.

ACCOMMODATIONS

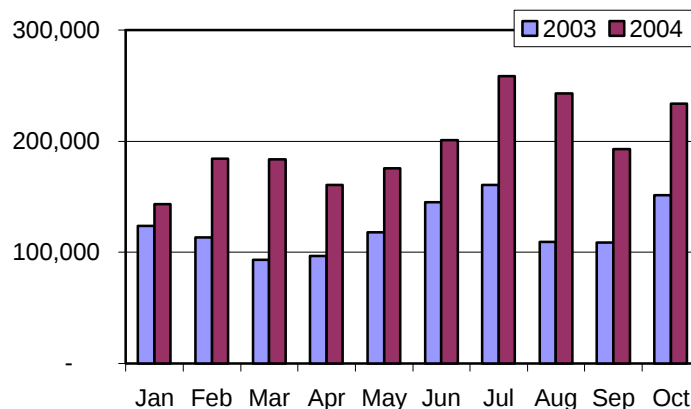
▪ Occupancy rates in September at Ontario hotels increased from 67% in 2003 to 73% in 2004 and exceeded September 2002 levels by 2 percentage points.

Consumer Response: October

CONSUMER WEB SITE www.ontariotravel.net

▪ User sessions with ontariotravel.net in October increased by 54% over October 2003 to total 233,550.

Growth in Visits to ontariotravel.net



▪ From the launch of ontariotravel.net in October 2002 to November 2, 2004, 196,020 consumers have registered with the site. Over 60% of registered consumers have opted to receive e-marketing material from OTMPC.

PARTNERS WEB SITE www.tourismpartners.com

▪ In October, user sessions at tourismpartners.com grew 37% over October 2003 to total 6,060. The most downloaded file from tourismpartners.com in October was OTMPC's 2004-05 Marketing Plan (1,300 downloads). Second in popularity was the Ontario Tourism Strategy.

CALL AND FULFILLMENT CENTRES

▪ Calls to the Call Centre in October totalled 13,300. Calls received from January to October 2004 were lower in volume as compared to last year and totalled 282,910. Consumers' preferences for the web – when seeking travel information – have contributed to decrease in call volume.

▪ In October, the number of fulfillment pieces distributed totalled 8,200. The top requested fulfillments pieces were: Ontario Road Map, Ontario Drive Guide, KIT: Fall, Ontario Resource Guide, and Fall inOntario.

ONLINE PULICATIONS

▪ In addition to Web orders of fulfillment guides, consumers downloaded 56,720 OTMPC publications from ontariotravel.net. The most in popularity were Fall Colour Report and Fall Drive Guide.

