



Tourism Plan 2009

Presented by the Tourism Advisory Council
and Tourism PEI



TIAPEI Annual Meeting, November 28, 2008

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Tourism Performance 2008



Issues Impacting Local and National Tourism Activity

- Gas Prices peak in mid-July at almost \$1.50/L
- Economic weakness and falling Consumer Confidence in the U.S. reduces visitation across Canada and other parts of the world.
- Relative strength of the Loonie: Canadian dollar hovered around parity with U.S. dollar most of the summer.
- U.S. financial crisis sends the U.S. and other countries toward recession.
- Consumer Confidence in the U.S. and Canada lowest in decades.
- Rain. Unprecedented rain on PEI in August followed by Tropical Storm Hanna in September.

Macro Trends

- Canadian Tourism Statistics
- Ontario Tourism Statistics
- Regional Tourism Performance
 - New Brunswick
 - Nova Scotia
 - Newfoundland
- Prince Edward Island Tourism Performance

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Key Indicators Show a Slumping Tourism Sector

	Canada Sept./08	NB Sept./08	NS Sept./08	Ontario July./08	Nlfd Aug./08
Room-nights sold (RNS)	n/a	▲ 3%	▲ 2%	n/a	n/a
Occupancy	▼ 0.9% (64.9%)	▼ 1%	▲ 1%	▼ 0.5% (60.4%)	▲ 3.7% (50%)
U.S. visitation	▼ 12.9%	▼ 14%	▼ 16%	▼ 14%	n/a
Air Traffic	▼ 5.8%	n/a	▲ 6%	▼ 3.4%	▲ 4%
YTD visitation	▼ 10.4%	n/a	▼ 3%	▼ 12.1%	▼ 0.3%

▲ = increase

▼ = decrease

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Prince Edward Island Performance Indicators



- General Indicators
- Bridge Traffic
- Airport Traffic
- Ferry Traffic
- RNS Province Wide 2005-2008
- RNS and Room-nights available by Canada Select Rating
- RNS by Touring Region 2007 vs 2008
- RNS Change by Market
- Prince Edward Island Tourism Performance

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PEI – General Indicators

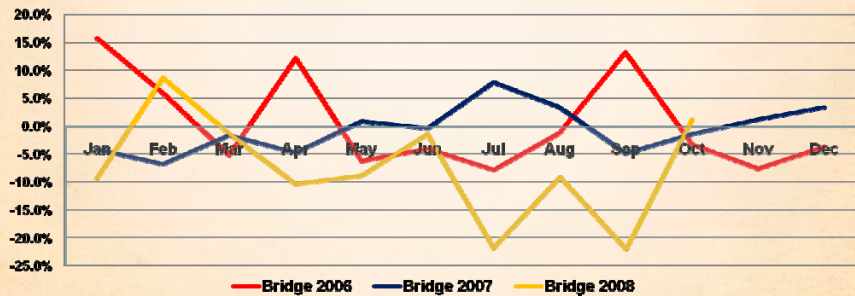


October	YTD
October <i>occupancy</i> was up 5.3% points versus October 2007.	Up 0.1% YTD
<i>Room-nights sold</i> were up 13.3% versus October 2007.	Up 0.02% YTD.
<i>RNS to U.S. visitors</i> were down 24% versus October 2007.	Down 16% YTD
<i>RNS to overseas visitors</i> were up 11% in October	Up 16% YTD
<i>Golf rounds played</i> were down 4% in October	Down 10% YTD
<i>Cruise Ship traffic</i> up 303% in October	Up 180% YTD ⁸

Bridge % Change 2006-2008



**YTD Bridge down 11%
30,155 fewer non-resident
vehicles**



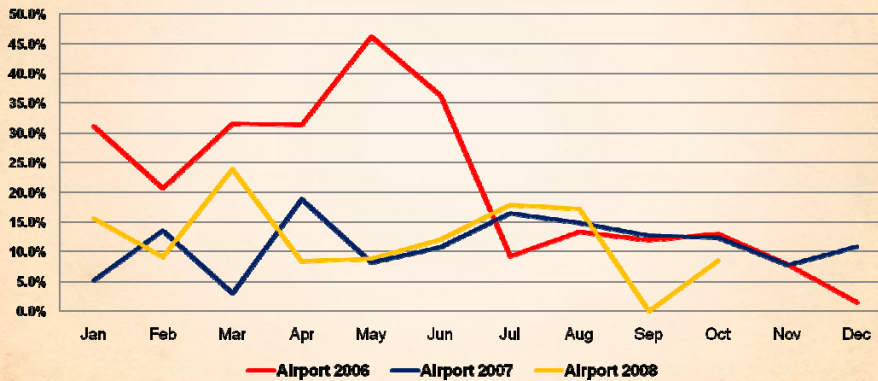
* YTD through October

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Airport % Change 2006-2008



**YTD Enplanement up 12%
Or 13,820 more passengers**



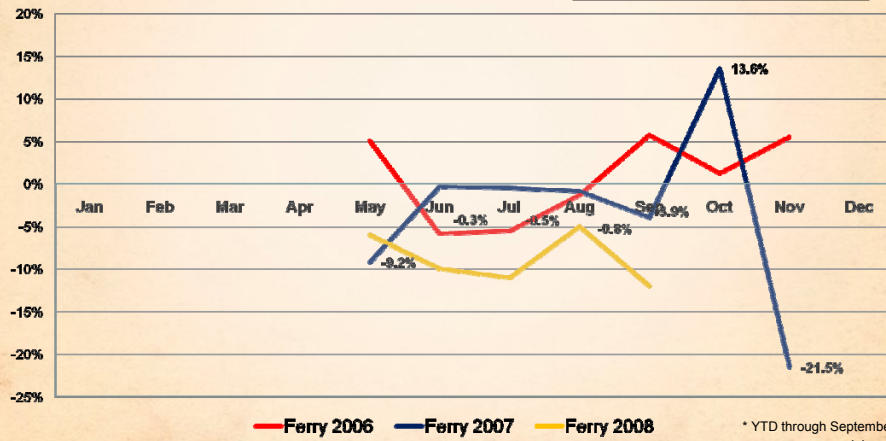
* YTD through October

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Ferry Traffic % Change 2006-2008



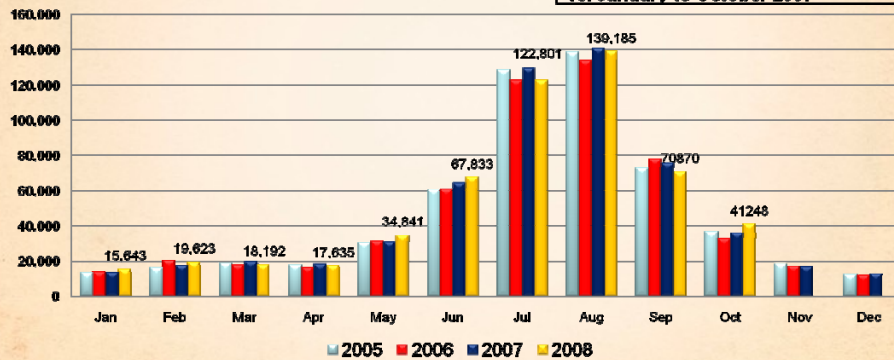
**YTD Traffic down 8%
Or 5,595 fewer vehicles**



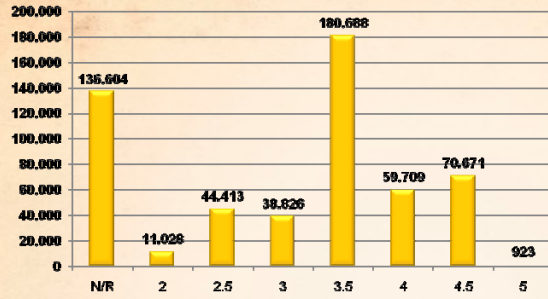
RNS Province Wide 2005-2008



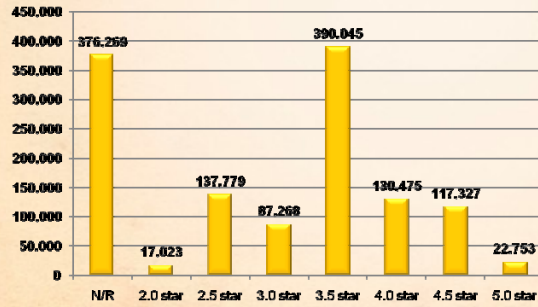
**YTD 2008 RNS up 113 Room-nights
vs. January to October 2007**



RNS by Canada
Select Star Rating
YTD 2008

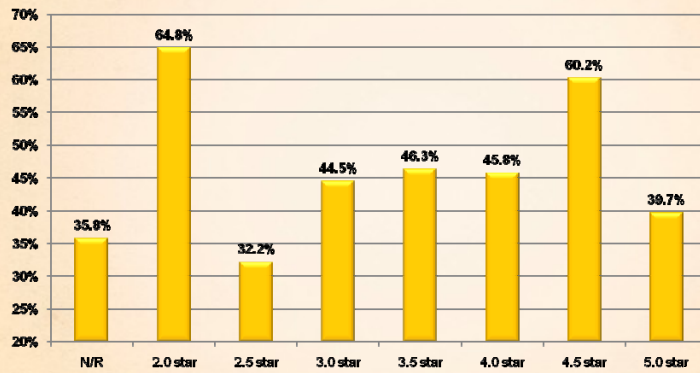


Room-nights
Available by Canada
Select Star Rating
YTD 2008



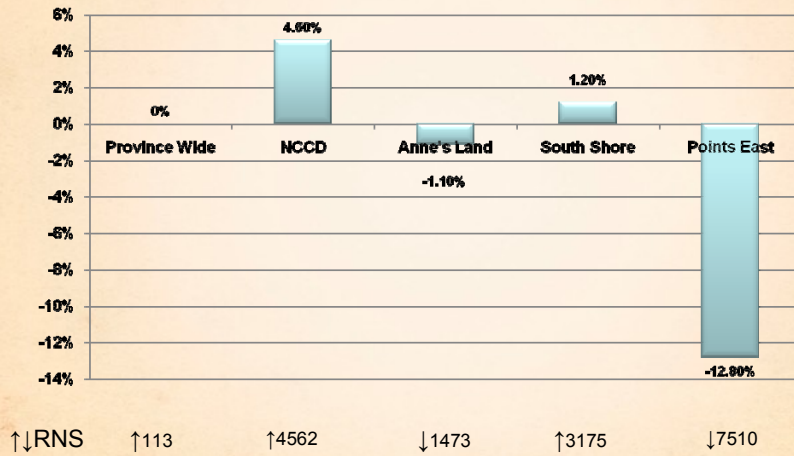
* YTD Through October

YTD Occupancy by Canada Select Rating



* YTD through October

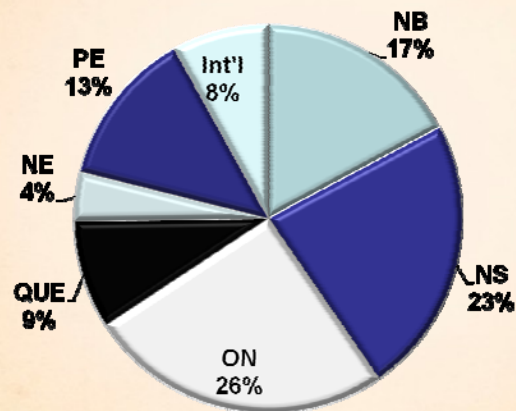
% Change in RNS by Touring Region 2007 vs 2008



* YTD through October

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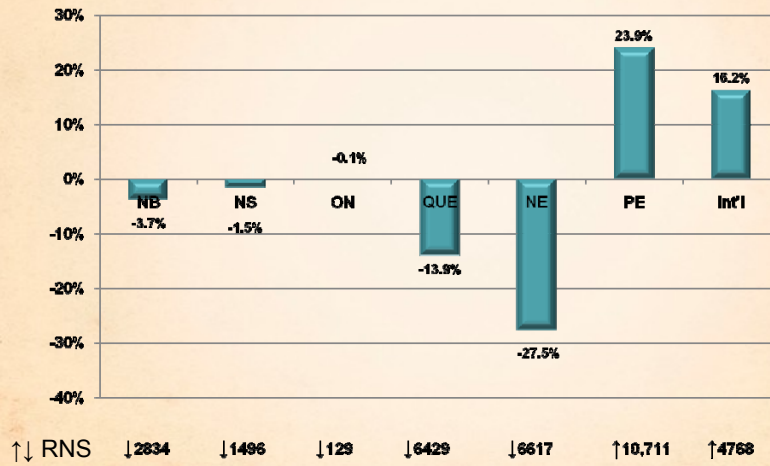
RNS by Origin YTD 2008



* YTD through October

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% Change in RNS by Market 2007 vs. 2008



RNS YTD through October

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Preliminary Estimates: Number of Non-Resident Visitors and Total Revenues



- Number of Non-resident Visitors **drop 3.2%** to 1.23 Million
- Total Expenditures **drop by 1.9%** to \$349 Million

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Tourism Plan 2009

Overview of Strategic Objectives



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Objectives

- 1) 3% growth in leisure market – based on room nights sold (RNS)
- 2) 2% growth in Quebec leisure market – RNS
- 3) Maintain market share in NB and NS
- 4) Grow US by 2% in RNS
- 5) Maintain RNS from Ontario

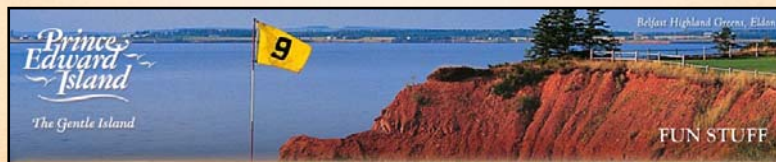


Key Strategic Thrusts

1. Meetings and Conventions are a key growth segment.
2. Focus on key “vertical” markets – culinary & golf & culture
3. Website becomes increasingly important.
4. Stronger emphasis on “out of the box” media and PR.
5. Experiential based packaging and sales.
6. Integrated Tourism Solution - integrates consumer, marketing, sales and operator needs.

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2009 Marketing Strategy



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Our Partners



THE MEDIA COMPANY
People First ► Better Results



THE MONTREAL OFFICE



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2009 Marketing Plan



Key Thrusts:

- We are continually out-spent by our competitors.
- A balance of Brand / Product / Sales
- Research driven and measurable approaches
- Utilize non-traditional out-of-the-box media
- Strategic Partnerships to create more focused buzz and to expand our word-of-mouth reach

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2009 Marketing Plan



Geographic Markets

- Traditional geographic markets
 - Maritimes, Quebec, Ontario, New England
 - Overseas (Japan, Europe and UK)
- Increased emphasis will be placed on the province of Quebec
- Environics and exit survey data will assist in determining precise targets within each geographic market
- New England and Overseas (Japan, Europe and UK) activity will continue to be primarily funded through ACTP and supplemented by TPEI budget

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2009 Marketing Plan



What we need to do:

Foster a greater personal, emotional and functional connection creating a more compelling reason and sense of urgency for our target audience to visit now!

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2009 Marketing Plan



1. *“The Gentle Island of Rejuvenation” brand position is still relevant*
2. *Everything must sell*
3. *We need to increase online investment*
4. *Direct mail will be continued to support brand and verticals*
5. *We will change our broadcast buying strategy*
6. *PR and Media Relations more prominent - including non-traditional partnerships*

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Golf Channel Partnership



Product & Business Development Plans 2009



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Product Investment Strategy



- Objective is to grow market share
- Investments must be strategic and integrated across research and marketing
- Must support the vertical markets that hold the highest possible return on investment
- Further develop strategic partnerships

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Key Product 'Verticals'



- Culinary Tourism
 - Mobilization of an industry group to enhance the culinary tourism aspect of PEI tourism product offering
 - Priority theme for 2010
- Culture
 - Anne Committee to continue on momentum from Anne 2008
 - Opportunity to grow repeat visitation for Anne product
- Golf
 - Golf Channel Partnership
 - Sales Focus; Events-Driven
 - Targeted Packaging/Product Development



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Restructuring of Grant Funding



- The Product Development Fund has been discontinued and replaced with three new application-based funds as well as a strategic investment fund.
- Two new funds for Regional Tourism Associations (RTA's) have been established.
- A newly established Innovation Fund will clearly identify to applicants the priority vertical markets we will be investing in at all levels of product development.
- Four smaller grant programs will continue as offered.

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3 Distinct Programs

- Strategic Investment Fund
- Regional Tourism Associations Programs:
 - Foundation Fund
 - Product Fund
- Tourism Innovation Fund

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Strategic Investment

- Examples:
 - Golf PEI/Golf Channel
 - Convention Partnership
 - Touring Routes
 - Concerts/Major Events



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Regional Tourism Associations (RTA) New Deadlines



- Applications for funding from the RTA's for the Foundation and Product Development Fund will be due on January 15th, 2009.
- This will allow government to confirm funding to regions earlier (notional allocations).
- The objective is to give regions more time to plan, develop and market their product.

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Tourism Innovation Fund New Deadline and Criteria



- Applications for the Innovation Fund will be due by March 1, 2009.
- Competitive fund for tourism based non-profits.
- *Criteria: research based, target markets, provincial priority, soft season/timing, high yield, organizational capacity, partners, private sector support, motivator/incremental, new/existing product, event based revenue streams, and incremental growth to sustainability.*
- No grandfather clauses – all proposals merit based.

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Other Existing Programs



- Community Festivals and Events
- PEI Acadian Francophone Tourism Development Fund
- Meetings and Conventions Hosting Program
- Reunion Program
- Tourism Website French Translation Program

The deadlines for these programs and their criteria will remain similar. There will be a more pronounced focus on vertical market priorities when evaluating product proposals.

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Research Plan 2009



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Tourism Research Centre - UPEI



- Two and half year commitment, along with ACOA to support strategic research activities
- Extensive research available today:
 - Exit Survey Results and sub-profiles of key markets
 - Original Research
 - Market Studies
 - Panel Research
- Watch for TRC Town Halls coming to your area over the next few months!

www.trc.upei.ca

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New Research Initiatives 2009



- Outlook Model for Forecasting
- Exit Survey Data and Sub-Profiles
- Environics Profiling
- Operator Panel



Evaluation/Monitoring Program



- Measurement against program objectives
- Define the indicators that truly reflect impacts intended
- Using a broad series of indicators to monitor performance
- Focus on room nights sold to quantify value and measure ROI

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Visitors Guide Research



- TAC Task Force: Visitors Guide Research
- Mandate:
 - Explore the role, format and evolution of the Prince Edward Island Visitors Guide for 2010 and beyond
- Extensive Research Project including:
 - Best Practices
 - Primary Consumer Research
 - Secondary Research
 - Focus Group Testing



An operator survey has been sent out to gather your insights on the Visitors Guide – please participate in this important survey – visit www.peitac.com.

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Industry Participation: Get Involved in Tourism Plan 2009!



Integrated Tourism Solution (ITS)

- January 1st, 2009 - Tourism PEI will have the capability to take reservations on behalf of all operators
- Why?
 - **66%** of Canadians use the internet for travel information OR travel arrangements. (Statistics Canada, 2007)

What does this mean for you?

- VIC's, Call Centre and Website can close the sale for you, if you so wish;
- Experienced VIC staff now take all visitor enquiries (toll free number, included);
- Enhanced Slumberland capabilities;
- Enhanced customer relationship management (CRM) and direct marketing by Tourism PEI on your behalf.

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Integrated Tourism Solution

- TAC Task Force: ITS

Mandate:

- *Guide implementation and policy development for customer relationship management (CRM) and central reservation system*

- *'Road Show' for ITS in Jan/Feb '09*

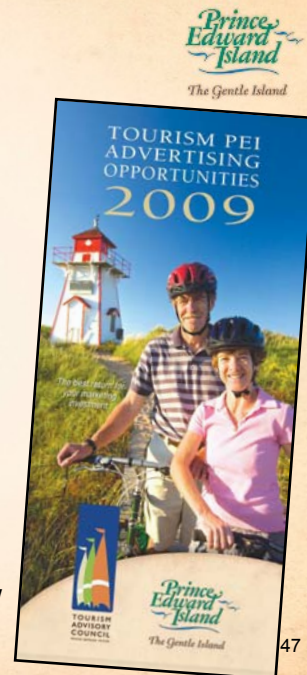
An operator survey will be coming out to gather your insights on the ITS – please participate in this important survey, or access it online at

www.peitac.com

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Partnership Opportunities

- Tourism PEI Co-op Advertising Opportunities 2009
- Integrated Tourism Solution
- **New!** Product Development Programs
- Committees/Task Forces:
 - TAC Task Forces
 - Anne Product
 - Culinary Committee
- Educational workshops in the new year – **New:** Social Media/ Web 2.0



Partnership Opportunities (cont'd)

- Participate in operator surveys on key issues today:
 - *Visitors Guide Research*
 - *Integrated Tourism Solution*
- TIAPEI programs and professional development
- Work with your Regional Tourism Association
- Tourism Research Centre Resources
 - *TRC Town Halls in early 2009*
- Package your experiential product!



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Questions?



www.peitac.com

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