



Canadian Tourism  
Commission

Commission canadienne  
du tourisme

Annual Report  
2008

# Competing with a Strong Brand

Canada

# Key Results for 2008

The 2008 Annual Report serves as the principle mechanism for the Canadian Tourism Commission (CTC) to report to the Parliament of Canada and demonstrate the results achieved with public resources.

## Overall Results

Total tourism revenue	\$74.9 billion	↑ 5.8% over 2007
Total international tourism revenue	\$15.7 billion	↓ 3.1% from 2007
Total domestic tourism revenue	\$59.2 billion	↑ 8.5% over 2007
Tourism's contribution to Canadian GDP	\$30.7 billion	↑ 7.3% over 2007
Government revenues generated by tourism	\$22.2 billion	↑ 5.7% over 2007
Total number of Canadians employed in tourism industry	660,000	↑ 1.0% over 2007
CTC core markets with increased performance	5 out of 9	unchanged from 2007
Average yield per night per traveller from CTC markets	\$119.70	↓ from \$120.90 in 2007

## Brand Results

FutureBrand's Country Brand Index ranking	2 <sup>nd</sup>	↑ from 6 <sup>th</sup> in 2007
Interbrand's valuation of Canada's tourism brand for 2007	\$123.8 billion	(see page 21)
Canada's tourism brand aided awareness in CTC core markets	46%	↑ from 44% in 2007
Campaign ROI (Advertising Critical conversion) (see page 68)	6:1	↓ from 9:1 in 2007
Campaign ROI (Positive Influence conversion) (see page 68)	45:1	↓ from 74:1 in 2007

## Partnership Results

Total partner contributions	\$95.8 million	↑ from \$89.6 million in 2007
Ratio of partner contributions to CTC annual appropriation	1.2:1.0	unchanged from 2007

### COMPETING WITH A STRONG BRAND

By providing Canada with strong branding, the Canadian Tourism Commission is enhancing Canada's competitive edge as a tourist destination around the world.

Note: Glossary of terms found on page 106.

# Our core values

Innovation  
Collaboration  
Respect

## Our goal

Grow tourism export revenues for Canada.

## Our vision

Inspire the world to explore Canada.

## Our mission

Harness Canada's collective voice to grow tourism export revenues.

## Our legislated mandate

- Sustain a vibrant and profitable Canadian tourism industry;
- Market Canada as a desirable tourism destination;
- Support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- Provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

The Canadian Tourism Commission (CTC) is Canada's national tourism marketing organization. A Crown corporation wholly owned by the Government of Canada, we lead the Canadian tourism industry in marketing Canada as a premier four-season tourism destination. Reporting to Parliament through the Minister of Industry, our legislative requirements are outlined in the *Canadian Tourism Commission Act*.

Through collaboration and partnerships with the private sector, as well as with the governments of Canada, the provinces and territories, we work with the tourism sector to maintain its competitiveness and reposition Canada as a destination where travellers can create "extra-ordinary" personal experiences.

Our approach focuses on those global markets or consumer market segments where there is the highest potential for return on investment. We lead international tourism marketing efforts by leveraging Canada's tourism brand in the U.S., the United Kingdom (U.K.), Germany, France, Mexico, Japan, China, South Korea and Australia.

## Our leadership role

- Promote Canada's tourism brand "*Canada. Keep Exploring*".
- Achieve world-class research capacity.
- Leverage technology and the Internet.





Toronto, Ontario  
Canadian Tourism Commission





Quebec City  
Quebec

Canadian Tourism Commission





Nova Scotia  
Nova Scotia Tourism  
Culture & Heritage



New Brunswick

New Brunswick Tourism + Parks







Churchill  
Manitoba

Canadian Tourism Commission

British Columbia

Canadian Tourism Commission



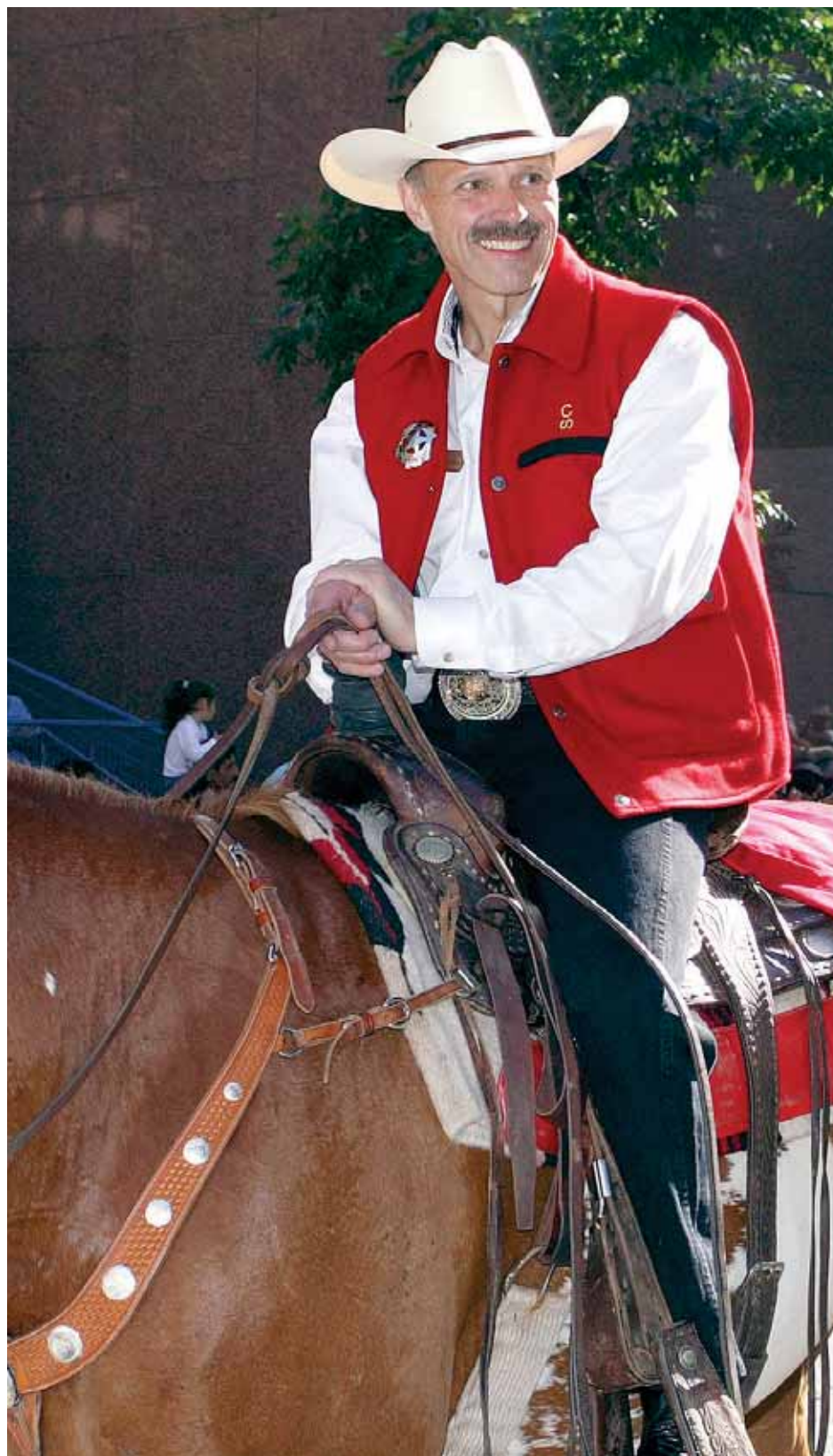


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## Chairman's Message





Out of the economic  
downturn will come  
new opportunities and  
we will seek these  
at home and abroad  
by being nimble  
and opportunistic,  
especially as the  
2010 Winter Games  
approach and Canada  
takes the spotlight.

I joined the CTC's Board of Directors as Chairman in February 2008. I was pleased to become more engaged in an industry which is so vitally important to the Canadian economy. At 2 percent of Canada's overall GDP, tourism has a GDP value similar to that of Agriculture, Fishing, Forestry and Hunting combined.

In fact, tourism is one of the fastest growing industries in the world. Almost every region and country around the world experienced more than five percent growth in international arrivals in 2008, achieving record highs for the global industry. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals reached an estimated 924 million in 2008, an increase of 2.0 percent from 903 million in 2007.

During my first week as Chair, I attended the ITB in Berlin, one of the most important tourism trade shows in the world with over 10,000 exhibitors from 180 countries. Almost every country in the world has realized the value of tourism and is investing in the industry, many very heavily. It was a shock to see how exceptionally competitive the industry is on an international basis.

Also evident was the pressing demand for new and exotic destinations offering the traveller unique experiences to be enjoyed immediately – before being discovered by the masses. It is that sense of urgency we want to create in travellers – to visit Canada now.

During the visits I have been fortunate to make to our key markets, I have seen first-hand that Canada's tourism brand is taking hold and there is tremendous interest in Canada from our partners and media. We have a great product to sell. But in the face of intense competition, we will need to work harder and smarter and to increase investment if we are to seize our fair share of the global tourism market.

Out of the economic downturn will come new opportunities and we will seek these at home and abroad by being nimble and opportunistic, especially as the 2010 Winter Games approach and Canada takes the spotlight. At the same time, however, we face large challenges including increasing costs, currency fluctuations and general appropriations that have been declining every year.

Tourism is a complex business with myriad relationships – federal, provincial and territorial governments, destination and provincial marketing organizations, large and small private sector businesses. We welcome the Government of Canada's proposal to bring greater coherence to the programs and services by which it supports the tourism sector through the development of a Federal Tourism Growth Strategy. It is important that the energy and resources available to the tourism industry are focused on common goals.

Looking forward, the CTC will undergo a Governance Review in 2009. We want to ensure that we are effectively governed and that we continue to develop relationships with our partners that demonstrate openness, transparency and accessibility.

It is a great honour to chair the Board of an organization that is so passionate about telling Canada's story to the world. I want to take this opportunity to thank the staff for their commitment and dedication to the work of the CTC. At the end of the year, I was pleased to learn that the Board's recommendation to reappoint our President & CEO, Michele McKenzie, to a second term had been approved by the Government of Canada. I am very pleased that the CTC and the tourism industry will benefit from Michele's strong and committed leadership for another five years. I would also like to acknowledge the dedication and hard work of our Board members. I especially want to acknowledge the generous contribution of Chris Cahill, who served as Interim Chair prior to my appointment and who stepped down from the Board during the year. I am grateful to Chris for his assistance and support in my transition to Chair.



Steve Allan

# President & CEO's Message





For the tourism industry, like the rest of the global economy, 2008 was a rollercoaster ride.

Despite the challenges, the Canadian tourism sector outperformed not only the primary industries, but the overall economy. Our strategy to target high-yield consumers was validated as this group has the passion and means for international travel even in difficult economic times.

In 2008, we launched an innovative global marketing strategy using social media for our first global TV and internet campaign. The centerpiece – a series of video clips shot by actual visitors to Canada – captured the spirit of the Canadian travel experience that is at the heart of our tourism brand – personal, engaging and informal.

With our partners, a *Brand Toolkit* was created to spell out the essence of Canada's tourism brand with ready-to-use graphics, photos and guidelines that make it easy for users to unite behind one consistent, signature voice. And an *Experiences Toolkit* was produced to help small and medium-sized tourism businesses market their products as extraordinary experiences, rather than commodities. The *Explorer Program*, the first level of online destination training for travel agents in our key markets, was launched as part of a program to educate the travel trade about Canada.

Canada's tourism brand earned the number two spot on the list of the world's top country brands, according to *FutureBrand's Country Brand Index* for 2008, jumping from 12<sup>th</sup> spot in 2006. And *Lonely Planet*, one of the world's most respected travel guides, listed Canada among its top 10 countries to visit in 2009. The inclusion of Canada alongside emerging tourism markets is proof the 'Canada. Keep exploring' tourism brand is sound, solid and working.

For our performance measurement framework, we adopted the Balanced Scorecard and identified three metrics that are critical to growing tourism export revenues for Canada. In addition to achieving awareness of Canada as a tourism destination and strong participation in partnered programs, our marketing strategy is fully focused on conversion – compelling the customer to commit and book the trip. The success of these efforts is measured for each campaign as return on investment.

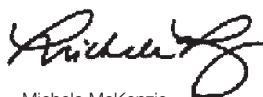
Our organization is founded on the principle of partnerships between the public sector and private industry. By leveraging contributions from partners that match our own funding, we are able to achieve the maximum return on investment for our tourism marketing initiatives. In 2008, partnership contributions totalled \$95.8 million, resulting in an overall 1.2:1.0 ratio of partner contributions to our annual appropriation.

With 3 billion viewers watching, we know that the Canadian tourism industry will be one of the greatest beneficiaries of the 2010 Winter Games. We are investing the \$26 million allocated by the shareholder in a strategy to leverage the international media exposure and create long-term, increased global awareness of Canada that will drive tourism and increase export dollars before and after the Games. During the year, a library of high definition assets was produced in partnership with broadcasters with compelling images from across the country. We delivered the first-ever international appearance of Olympic and Paralympic Mascots in Asia, and led trips across Canada for high-profile media with the goal of changing outdated perceptions of Canada. And a partnership with the Four Host First Nations was reached to market Aboriginal tourism before, during and after the 2010 Winter Games.

In the coming year, we will focus on a domestic advertising campaign and entry into the new, high-growth emerging markets of India and Brazil. Canada's future competitiveness depends on growth from international markets and the stimulus investment by the federal government recognizes that further expansion of Canada's tourism brand can increase tourism export revenues at home.

In the face of economic uncertainty, it is important to remember – and we know this from historical experience – that travel is one of the most resilient industries, quickly recovering from past shocks and one of the first things people want to indulge in when the economic clouds begin to lift. We plan to be ready.

Keep exploring,



Michele McKenzie  
President & CEO

# 2008 Industry Snapshot

The 2008 *Industry Snapshot* section provides an overview of the global tourism sector, including tourism indicators and trends that have impacted Canada's tourism industry.





## Industry Overview

The Canadian tourism sector is widely varied. It ranges from small and medium-sized enterprises (SMEs) operating in a single location to large, far-reaching corporations. It also includes provincial marketing organizations (PMOs), destination marketing organizations (DMOs), as well as tourism industry and trade associations.

**Tourism activity in Canada represents approximately two percent of Canada's overall Gross Domestic Product (GDP), making tourism a significant economic sector. In fact, tourism's GDP value of approximately 30.7 billion is similar in size to the agriculture, forestry, fishing and hunting sectors combined.**

Source: CTC Preliminary Estimates

The following indicators, based on CTC preliminary estimates, relate to the economic activity and performance of Canada's tourism industry as a whole in 2008:

### 2008 Tourism Indicators:

- Total tourism revenue reached \$74.9 billion, an increase of 5.8 percent from \$70.8 billion in 2007.
- Total international tourism revenue was \$15.7 billion, a drop of 3.1 percent over 2007.
- Total domestic tourism revenue reached \$59.2 billion, an increase of 8.5 percent from \$54.6 billion in 2007.
- Tourism's contribution to Canadian GDP reached \$30.7 billion, an increase of 7.3 percent from \$28.6 billion in 2007.
- Government revenues generated by tourism reached \$22.2 billion, an increase of 5.7 percent from \$21.0 billion in 2007.
- The total number of Canadians employed in the tourism industry reached 660,000, an increase of 1.0 percent from 653,400 in 2007.

Source: CTC Preliminary Estimates

## Targeting High-Yield Consumers

The desire to travel is deeply ingrained in modern society. Tourism has become one of the world's fastest growing industries. Almost every region and country around the world experienced more than five percent growth in international arrivals in 2008, achieving record highs for the global industry. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals will have reached an estimated 924 million in 2008, an increase of 2.0 percent from 903 million in 2007.

Overall international arrivals to Canada decreased in 2008; however, performance increased in five of our 9 core international markets. An overarching ten-year trend is now apparent with performance increasing in emerging markets such as Mexico, South Korea and China, while decreasing in mature markets such as Germany, France, Japan and the U.S.; this is consistent with global trends. While there was an overall decline in receipts of 3.1 percent over 2007 core market results, this was because underperforming markets (e.g. U.S. Leisure and Japan) accounted for over 55 percent of the total tourist receipts from our core markets. Since 2000, Canada's overall market share of global tourist arrivals has decreased approximately 38 percent. At the same time, overall global tourist arrivals to all countries have increased by approximately 36 percent as emerging economies start to discover international travel. In other words, Canada continues to lose market share in an era when more global tourists are travelling.

In 2008, largely influenced by poorer performances by the U.S. and Japan, international long-haul (defined as U.S. air leisure, business travel and CTC overseas air travel) arrivals to Canada decreased by 3.6 percent over 2007 levels. In addition, total receipts from this segment of travellers reached an estimated 6.9 billion in 2008, a drop of 3.1 percent from 2007, while average spend per person per night is estimated to have decreased by 0.7 percent to 126.80 from 127.73 in 2007 (compared to average yield per night per traveller from all CTC markets, which fell to 119.70 from 120.90 in 2007).

Although Canada's performance from a yield perspective remains flat, evidence based on data produced by the UNWTO shows that Canada's calculated yield from tourist arrivals and receipts still registered the third largest gain in the 1996-2007 period. Against its main competitors, Canada's yield over the 11 years increased by 155.1 percent, for an annual average gain of 8.9 percent, or an estimated 6.9 percent in constant terms. To emphasize the point: while the volume of travellers to Canada increased 3.7 percent over 1996-2007, tourist receipts from travellers increased 41.6 percent over the same period. The fact that tourist receipts have increased close to five times more than tourist arrivals reflects the success of Canada's strategy to target high-yield consumers.

#### AVERAGE SPENT/TRIP (\$CDN)

	1996	2007	07/96
	\$	\$	%
Australia	1,554	4,261	174.2
U.S.	1,099	1,856	68.9
Germany	850	1,585	86.5
U.K.	622	1,317	111.7
Thailand	926	1,156	24.8
Canada	365	931	155.1
Turkey	461	895	94.1
China	315	823	161.3
France	333	711	113.5

Source: UNWTO

Overall in 2008, Canadian tourism revenues of \$74.9 billion represent a healthy increase of 5.8 percent over 2007 revenues. However, this positive increase masks two significant dynamics: domestic revenue representing \$59.2 billion was up 8.5 percent since 2007; and, at the same time, international revenue representing \$15.7 billion was down 3.1 percent over 2007.

While the Canadian economy benefits from strong domestic tourism demand, continued domestic growth coupled with declines in international visitation will fuel a type of tourism development that is not necessarily internationally competitive. It is strategically important to Canada's future competitiveness that real growth originates from international tourism markets and subsequent foreign currency investments into Canadian tourism products.

The loss in international markets is partially explained by a significant increase in demand for new and exotic emerging destinations. This growth in demand comes at a time when barriers to travel are being reduced and air carriers (notably low-cost carriers) are increasing flights to formerly difficult-to-access destinations.



## Competitor Performance in 2008

Canada was not alone in experiencing losses in international tourist arrivals over the last year. As the following table illustrates, some of Canada's established international competitors continued to experience losses in international travel in 2008. While the U.S. experienced losses from Mexico, Japan and South Korea, Australia experienced declines from Japan, South Korea, the U.S., the U.K. and China. In addition, the U.K. had setbacks from the U.S., Germany and Japan. This is consistent with the global trend of mature destinations losing business to new exotic destinations. In response to this trend, we have strategically shifted our emphasis to focus on growing emerging markets; Canada was quick to recognize this global trend and adjust accordingly.

### 2008 ESTIMATED OVERNIGHT TRIPS (000s)

	Canada	08/07	U.S.	08/07	AU	08/07	U.K.	08/07
		%		%		%		%
U.S. Total	12,474	(6.7)	–	–	455	(1.0)	3,340	(12.3)
U.K.	845	(5.2)	4,772	6.1	669	(3.0)	–	–
France	404	12.5	1,278	28.1	84	16.0	3,702	8.9
Germany	309	3.8	1,826	19.8	160	5.0	3,059	(13.2)
Mexico	250	8.9	6,327	(6.4)	–	–	77	26.2
Japan	262	(15.7)	3,328	(6.1)	478	(20.0)	267	(24.5)
South Korea	176	(6.1)	787	(2.4)	224	(13.0)	–	–
China	159	5.1	652	20.8	353	(1.0)	193	0.9
Australia	228	9.8	711	6.1	–	–	1,065	5.8
Total Core Markets	15,107	(5.6)	19,197	2.0	2,423	(5.2)	11,703	(4.1)
Total Internat. Markets	16,870	(5.1)	52,102	7.9	5,587	(1.0)	36,445	0.8

Source: CTC Preliminary Estimates

Foreign governments are strengthening investment in tourism product development and marketing. National tourism marketing organizations in Australia (Tourism Australia) and the U.K. (Visit Britain) had 2008 base budget allocations of approximately \$120 million and \$90 million respectively.

### Factors Affecting Conversion

In 2008, we continued our practice of measuring conversion on campaigns of significant investment. 2008 was a highly unusual year in that, while Canada's tourism brand was gaining awareness and winning major accolades from third-party opinion leaders such as FutureBrand, conversion was declining somewhat from a number of Canada's source markets.

In the U.S., positive influence conversion remained steady at 48:1 (50:1 is the historic target for all markets) in spite of rapidly deteriorating economic conditions in the U.S., a decrease in air capacity due to fuel price spikes in the spring and summer, and the distractions in the media space from an historic presidential election and the economic news itself.

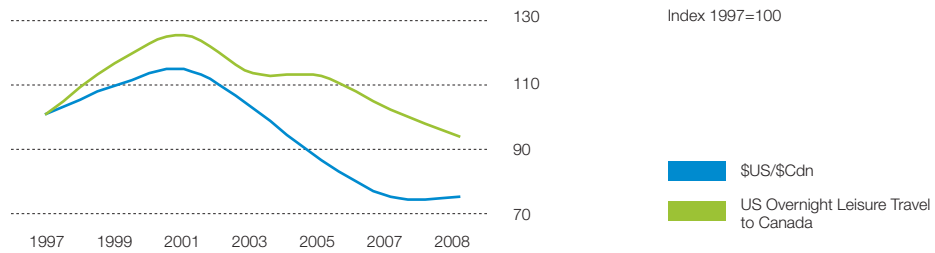
The U.K. spring campaign had a very positive result with positive influence conversion results of 73:1. Britain also faced the same issue of deteriorating economic conditions along with decreasing air capacity, including Zoom Airlines' cessation of service and the decrease in service of British Airways to Vancouver from a frequency of twice daily flights to once a day. These impacts took hold in the second half of the calendar year, after the spring campaign had run and the majority of its direct effects were felt.

Japanese conversion performance was less robust at a positive influence campaign ROI of 15:1. This speaks to the ongoing need to raise awareness and rebuild the Canadian tourism brand in the Japanese market. 2008 conversion was also negatively affected by dramatic decreases in air capacity including the discontinuation of direct scheduled service between Vancouver and Osaka in November 2007.

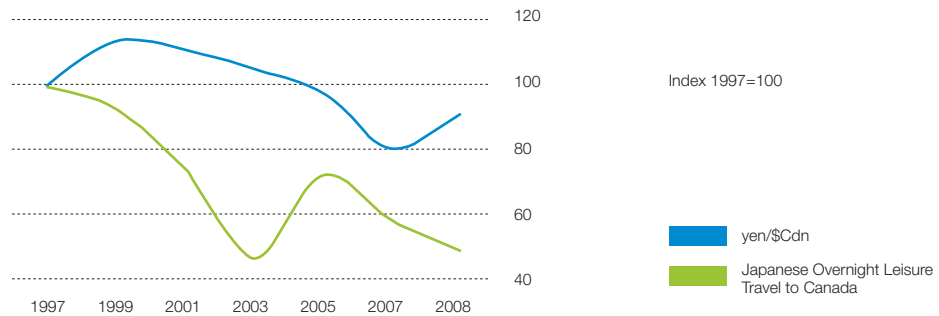
## Weakening Canadian Dollar

The Canadian dollar weakened during 2008 against the U.S. dollar and the Japanese yen. This situation normally increases Canada's price competitiveness and would assist in already weaker U.S. and Japanese markets. As illustrated below, U.S. and Japanese travellers to Canada have traditionally been sensitive to the fluctuations of their currencies. However, the global financial crisis that initiated in 2008 appears to have outweighed the more favourable exchange rate for American and Japanese travellers.

**U.S. Overnight Leisure Travel to Canada**



**Japanese Overnight Leisure Travel to Canada**





## Canada's Tourism Sector: An Economic Engine

Since 2004, the tourism sector's overall performance has held up well when compared to other Canadian economic sectors. A recent Tourism Competitive Benchmark study undertaken for the CTC by the Conference Board of Canada provides a frame of reference for this performance. In terms of the relative size of real GDP, tourism compares closely to the primary industries of the agriculture, forestry, fisheries and hunting sectors combined. The current (2007/2006) and recent (2007/2004) performances of the Canadian tourism sector indicate it outperformed not only the primary industries grouping, but the overall economy on all five economic indicators.

### ECONOMIC INDICATORS – 2007 LEVELS

ECONOMIC SECTORS	REAL GDP	EMPLOYMENT	PRODUCTIVITY	TAXES	WAGES
	\$M	000s	\$000s GDP/ employee	\$M	Avg. weekly wage incl. overtime
Primary Industries (Agriculture, Fishing & Hunting, Forestry)	27,125	423	64	433	963
2007/2006	(4.0) %	(2.3) %	(1.8) %	(0.2) %	3.3 %
2007/2004	(3.6) %	(0.3) %	(3.5) %	(0.2) %	9.3 %
Total Tourism	26,559	653	41	832	426
2007/2006	3.7 %	2.8 %	0.9 %	5.4 %	3.5 %
2007/2004	11.4 %	6.0 %	5.2 %	4.4 %	11.2 %
Total Economy	1,220,813	16,865	72	61,570	771
2007/2006	2.5 %	2.3 %	0.1 %	0.2 %	3.2 %
2007/2004	8.4 %	5.7 %	2.5 %	0.2 %	9.7 %



# Statement of Service Performance

The *Statement of Service Performance* section reports on key 2008 achievements under each of the CTC's five priorities.

full force  
jewelry.  
the restaurant.  
kind of



In an era of increasing competition for the world's travellers, the CTC worked throughout 2008 to differentiate Canada in the global tourism arena; together, with our industry partners, we pushed new thinking and promoted innovative marketing approaches.

Following the January 2007 launch of the new look and feel of Canada's tourism brand "*Canada. Keep exploring.*" we focused largely on integrating brand elements into all activities, including global marketing and public relations. An important element of this focus was the development of tools and awareness to promote and support industry buy-in and adoption of the brand.

The high quality of our research, creative communication techniques and use of new technologies, along with consistent leveraging of performance measurement tools, have all proven to be essential elements in supporting our main goal to grow tourism export revenues for Canada.

Our 2008-2012 Corporate Plan was founded on the following four main objectives, which describe what we are working to achieve in order to reach our ultimate goal:

1. convert high-yield customers;
2. focus on markets of highest return on investment;
3. maintain brand consistency; and
4. research new market opportunities.

**In order to achieve our objectives in 2008, we focused on five priorities:**

- 1) Consumer-relevancy;**
- 2) Align market allocations to achieve highest return on investment;**
- 3) Differentiate Canada;**
- 4) Leverage media exposure of the Vancouver 2010 Olympic and Paralympic Winter Games; and**
- 5) Organizational excellence.**

The following information highlights a number of our major accomplishments and measurable results in 2008 against our five priorities.



## Priority Consumer Relevancy

Measure	Result
Opt-ins to database	161,433
Consumer contact information provided to partners	136,995 (↓ from 137,024 in 2007)
Monthly unique visitors to <a href="http://www.canada.travel">www.canada.travel</a> consumer site	2,107,942 (↑ from 2,067,510 in 2007)
Percentage of consumers converted (Positive Influence conversion)	U.S.: 3.43% (↓ from 6.83% in 2007) U.K.: 4.83% (↑ from 4.21% in 2007) Japan: 0.46% (↓ from 0.75% in 2007)

### Customer Relationship Management

Our E-Marketing team established a Customer Relationship Management (CRM) tool to identify customers and collect and analyze data related to their travel preferences and spending patterns. Using this important tool, we are now able to develop and maintain relevant communication with targeted potential travellers and ensure the marketing messaging they receive responds to their interests and expectations. Due to positive response to the brand and associated marketing campaigns, the consumer database now contains 1.3 million records. This represents a growth in net new consumers between 2007 and 2008 of 60 percent. This growth should continue as e-campaigns become more targeted and the increase in overall campaigns continues.

### Explorer Quotient™ Segmentation Tool

Since it was first presented to industry in 2005, the *Explorer Quotient*™ (EQ) segmentation tool has captured the imagination of much of Canada's tourism industry. In recognizing that two people can be standing in the exact same spot, participating in the exact same activity, yet having two completely different experiences, the EQ identifies the underlying emotional motivators of travellers beyond traditional demographics like age and geography, and allows us to match consumer desires with the right travel experience like never before.

In 2008, the evolution of this groundbreaking research led us not only to create communications that resonate with specific consumers, but also to embark on a realignment of our organization toward global planning and a global approach to managing consumer segments. Through such publications as our *Experience Toolkit*, the EQ began to provide the opportunity for industry members, including small and medium-sized businesses, to customize communication and tailor experiences to what each individual consumer is seeking. In support of Canada's tourism brand, the EQ played a central role in shaping our activities, including marketing, product/experience development, public and media relations, and research.

In addition, we identified our two main global EQ audience groups in 2008: the Learners and the Enthusiastic Indulgers. Knowing this, we were able to craft a Global Platform Strategy that communicated consistently to these two groups across all international channels. Feeling trapped in their daily routines, these consumers would find themselves inspired by the “moments” that are created when visitors find themselves in Canada. For these reasons, the campaign was made up of a large selection of real experiences brought to life as eight different 15-second user-generated content broadcast spots that were also made available online. Other assets developed include leading advertising imagery and online streaming video featuring 240 stories (7,000 hours of tape), with plans to release a national video in 2009.

## 2

### Priority

### Align Market Allocations to Achieve Maximum Return on Investment

Measure	Result
Development of tool to guide decision-making on market allocations	Yes (ROI Model)
Market plans articulate investment in high-yield markets that have been identified by Research	Yes
Average per person spend / night by CTC markets	\$119.70 (↓ from \$120.90 in 2007)
Tourist receipts from CTC markets	\$10.2 billion (↓ from \$10.7 billion in 2007)
Campaign ROI (Advertising Critical conversion)	6:1 (↓ from 9:1 in 2007)
Campaign ROI (Positive Influence conversion)	45:1 (↓ from 74:1 in 2007)

In 2008, we focused our investments in the U.S. (including Meetings, Convention and Incentive Travel (MC&IT) and Leisure markets), Mexico, France, Germany, the U.K., Japan, China, South Korea and Australia. Compared to 2007, some budget reallocations were implemented to take advantage of growth markets.

In determining the budget allocations for 2008, a number of elements were considered to provide us with the best return on investment for our program funding. The following elements were taken into account:

- Market Investment Model (MIM) overall weighted scores by market;
- trend in average trip spend;
- exchange rates shifts;
- impact of increases/decreases in investments; and
- return on investment results based on conversion studies.

In addition, budget allocations factor in the total revenue contributed by each market and the historical performance of marketing campaigns in the major markets. Budget allocations for growth markets were supported by the high correlation between market performance and economic growth.

#### **Research and Development Fund**

In 2008, our Research and Development (R&D) program focused resources on identifying and assessing new market opportunities and niche experiences within our core markets that may warrant additional investment. The framework developed for the assessment of emerging markets was adapted to guide the research and assessment of market opportunities and niche experiences to ensure an objective and consistent process. This process was designed to ensure opportunities are assessed on their ability to meet the following criteria:

- yield – supported with demonstrated demand to ensure volume;
- brand consistency;
- Canada's experience offering is believable and can compete in the world market;
- the experience is sustainable and not just a passing fad; and
- global market potential.

The R&D program also oversaw the development of new analytical tools and models to inform business and marketing investment decisions to maximize return on investment, as well as advertising and marketing effectiveness. These new initiatives complement the Market Portfolio Analysis (MPA) model and the Market Investment Model (MIM).

#### **Canada Program Allocations**

As part of the 2008-2012 strategic planning process, our Board of Directors focused the CTC's limited resources on marketing activities within international markets that provide Canada with the highest return on investment rather than marketing domestically within Canada. Beginning in January 2008, we retained approximately \$500,000 to maintain a limited domestic role in Media & Public Relations and Brand Experiences in support of Canada's tourism brand. The remaining funds (approximately \$2 million) were distributed across our international marketing programs based on maximizing return on investment. Canada program staff were reassigned in support of our strategic priorities.



## 3

## Priority Differentiate Canada

Measure	Result
Top country brand (Country Brand Index)	ranked 2 (↑ from 6 in 2007)
Canada's brand value (Anholt Nation Brand Index)	ranked 4 (↓ from 3.25 in 2007)
Aided brand awareness	46% (↑ from 44% in 2007)
Unaided brand awareness	14% (unchanged from 2007)
Aided destination awareness	35% (↑ from 33% in 2007)
Unaided destination awareness	20% (unchanged from 2007)
Interest in / likelihood of visiting Canada	33% (↑ from 31% in 2007)



### Canada's Tourism Brand Initiatives

Following the 2007 launch of Canada's revitalized tourism brand "*Canada. Keep exploring.*" we worked to create a bridge between the world's nature-based perceptions of Canada and the need to present more diverse and real Canadian travel experiences in a personal, emotional, relevant and interactive context. Throughout 2008, we built a solid platform to share brand assets and create real potential to capture the imagination of travellers around the world.

### Canada's Tourism Brand

**Brand Canada will be a leading storytelling tourism brand in the world where travellers bring home *extra-ordinary* stories all their own.**

**The world will come to see Canada as not just a beautiful place with incredible landscapes, but as a place that offers travellers an opportunity to create their own stories and experiences – unique stories that are a little unexpected, unusual and out of the ordinary.**

"*Keep Exploring*" has become a reflection of Canada, expressing its attributes and strengths through enticing and modern visuals, along with a personality and tone that mirror the authentic, warm nature of Canadians. The following section provides examples of our various initiatives to differentiate Canada's tourism brand in 2008.

### Canada Tourism Brand Toolkit

Designed to inspire, impassion and excite curious travellers, the Canada tourism brand is bringing Canada to life in a consistent way around the world. Created collaboratively by the CTC and our industry partners, the Canada tourism brand takes travellers on a new journey where visitors mingle with the locals, uncover exotic landscapes and stumble upon extraordinary cultural encounters that move spirit, mind and body. The tone is witty, warm, creative and bold.

The Canada Tourism Brand Toolkit spells out the essence of the brand: the brand personality, look, voice, values and mission. The vibrant colour palette is inspired by Canada's people and landscapes. Partners can cut and paste ready-to-use graphic images and photos. The helpful brand guidelines make it fast and easy to align marketing materials with this fresh look.

### Success Story



In 2008, following the launch of the revised brand and Brand Identity guidelines, the Ontario Tourism Marketing Partnership Corporation (OTMPC) re-launched their visual identity guidelines in a simple, easy to use Brand Toolkit format. The overall approach was influenced by our brand guidelines toolkit and showed significant alignment to Canada's overall tourism brand direction, from setting visual identity standards to a change in photography style that closely resembles our own first-person perspective.

The overall theme was influenced by Canada's National Tourism brand essence and visual identity – focusing on experiences and the opportunity for travellers to see Ontario as an ideal place for experiences. This is just one of many examples of partners across the country who believe that one collective voice will help change perceptions of Canada and create a sense of urgency to visit our country now.

With more partners adopting a collective voice, Canada's national tourism brand is becoming even stronger in the global market.

#### Northern Tourism

Tourism in Canada's North represents an exciting new opportunity as an emerging industry and an important contributor to the overall economy in a developing region of Canada. In early 2008, Northern tourism was identified as a priority area by the Secretary of State for Small Business and Tourism and recommended as an area of focus to the Chair of the CTC Board of Directors. As a result, we continued to work throughout 2008 with federal and territorial partners to advance Northern tourism. Most significantly, we joined with our Northern partners – Nunavut Tourism, Northwest Territories Tourism and the Yukon Department of Tourism and Culture – to look at opportunities where all three Northern territories could participate in our programs as a single consortia, namely "Canada's North." In November 2008, we and our three Northern partners committed to signing a Memorandum of Understanding (MOU) to confirm the ability of Canada's North to advance Northern tourism by joining our programs as a single entity equivalent to a provincial partner. The MOU is expected to be signed in early 2009.

#### Aboriginal Tourism



In 2007, we partnered with Aboriginal Tourism Canada (ATC) to embark on a research effort to garner new consumer intelligence on European interest in Canadian Aboriginal tourism experiences. Focusing on the U.K., France and Germany, the research provided refreshed intelligence on European traveller motivations, perceptions and expectations for Aboriginal tourism-related travel. The study concluded that there is significant interest in all three markets and provided insightful intelligence on product development and programming for use by Aboriginal tourism experience providers.

As a result of the research findings that emerged in 2008, we joined with the ATC to begin a collaborative process to identify significant market-ready tourism experiences involving consultations with each provincial tourism agency and a number of regional Aboriginal tourism associations across Canada. The process initially identified which Aboriginal tourism experiences were best aligned to our national tourism brand. In the end, the process garnered 28 Aboriginal tourism experiences from 12 of the 13 provinces and territories, and we produced a brochure outlining these experiences called *"The Significant 28 Aboriginal Cultural Tourism Experiences in Canada"* for distribution to industry and use in our marketing campaigns. Reaction to the brochure was extremely positive; it is to be featured in a variety of applications associated with the Four Host First Nations and the CTC for the Vancouver 2010 Olympic and Paralympic Winter Games initiatives, and for integration in a joint Canada Border Services Agency-CTC project to develop welcome pavilions at various Canada-U.S. border entry points

Measure	Result
Hard copies of the “Significant 28” brochure produced and distributed to industry	over 900
Average hits per month on customized consumer website produced by Aboriginal Tourism Canada	70,000

### Sustainable Tourism

In 2008, our Brand Experiences unit created a list of award-winning tourism operators who embrace sustainable practices. To create the list, the team drew on national and provincial awards, such as the TIAC/Parks Canada sustainable tourism award. Currently, the list contains over 55 operators. In addition, the team compiled a list of another 70 operators who have not yet won awards, but have made a clear commitment to sustainable practices in their business. The list was used to invite delegates to the 2008 Gros Morne Institute Conference on Sustainable Tourism. In 2009, the Brand Experiences team will continue to expand these lists in close cooperation with our industry partners for use in various marketing activities.

### Canada’s Tourism Brand Successes

#### FutureBrand’s Country Brand Index

Canada’s tourism brand earned the number two spot on the list of the world’s top country brands, according to *FutureBrand’s Country Brand Index* (CBI) for 2008, which was officially released on November 11 at London’s World Tourism Market, the premier annual exhibition of the global travel trade. The CBI examines how countries are branded and ranked according to key criteria, and identifies emerging global trends in the world’s fastest growing economic sector: travel and tourism.

In 2006, as we prepared to rollout Canada’s revitalized tourism brand, the CBI ranked Canada in twelfth place. After the launch of Canada’s new tourism brand visual identity in January 2007, and following a year of exposure, the CBI ranked Canada in sixth place. The 2007 CBI report specifically praised Canada’s revitalized tourism brand and our consumer website for differentiating Canada in the global tourism marketplace. In 2008, after the full articulation of the revitalized brand had taken root, Canada was ranked second place out of 78 country brands, second only to Australia.

Within 48 hours of the 2008 CBI announcement, news about the ranking plus video clips from the CTC’s innovative new global marketing strategy were airing on *CTV Late Night* national news, *CBC Morning* and *CTV News Net*. Print coverage appeared from coast to coast on Canada.com, in CanWest newspapers such as the *National Post* and *Calgary Herald*, and on the Canadian Press wire service.

There is significant evidence that our investment in revitalizing Canada’s tourism brand and marketing Canada as a tourism destination to the world has had a major impact in terms of Canada’s ranking in the CBI. To begin, CBI rankings are based on a global sample of almost 2,700 travel respondents in nine countries (the U.S., the U.K., Germany, Australia, China, Japan, Brazil, the U.A.E. and Russia). The first six of these nine countries are CTC core markets that receive more than 95 percent of our marketing budget and are strongly subjected to Canada tourism marketing messages. In addition, because respondents include frequent international leisure and business travellers between the ages of 21 and 65, they fall directly into our target audience. As a result, it is likely that most respondents would have been exposed to CTC messaging and would be familiar with Canada’s tourism brand. Indeed, nation tourism marketing is recognized as the single greatest contributor to consumers’ and influencers’ perceptions regarding a country’s brand appeal.





In addition, our research activities and segmentation tools allow us to be highly attuned to specific customer segments. As a result, we target only customers who have a high propensity to travel internationally, and who have the passion and means to do so. Prior to the implementation of our target marketing techniques and brand development, potential travellers viewed Canada's tourism brand as ambiguous, which likely resulted in lower CBI rankings for Canada.

Finally, we conduct conversion studies in several markets to measure the impact that Canada's tourism brand has on consumer awareness. We collect research data through the Global Tourism Watch survey to measure the impact of Canada's tourism brand attributes on target consumers. This research informs us of the specific messaging that resonates with potential travellers, thus demonstrating alignment between our marketing activities and the increasing resonance of Canada's tourism brand.

Measuring the effectiveness of programs against the overall tourism performance in Canada is a key focus for us. Our newly-adopted Balanced Scorecard (BSC) approach includes the CBI as a measure and all staff monitor BSC measures to inform their daily work.

Measure	Result
Generated ad value following the release of the 2008 CBI	\$250,000

**“Canada is an exceptional country and has all of the assets to be a great brand: quality of life, diversity, culture, entertainment, gastronomy, business infrastructure, stability and openness.”**

FutureBrand's Country Brand Index 2008

**Lonely Planet Top Ten Destinations**

*Lonely Planet*, one of the world's most respected travel guide publishers and a popular resource with young travellers worldwide, listed Canada among its top 10 countries to visit in 2009.

Festivals and events described in the profile of Canada included: the 30<sup>th</sup> anniversary of the Montreal International Jazz Festival; the 50<sup>th</sup> anniversary of the World Men's Curling Championships in Moncton, New Brunswick; a re-enactment of the battle at the Plains of Abraham; watching polar bears in Churchill, Manitoba; hiking the West Coast Trail on Vancouver Island; kayaking the Northwest Territories' Slave River Rapids; surfing and whale-watching in Tofino, B.C.; and attending the Calgary Stampede.

The inclusion of Canada in such a prestigious travel book alongside emerging tourism markets speaks to our success in marketing Canada as a unique and exotic destination that attracts high-yield travellers. Canada's profile as a "hip and active" destination is consistent with the country's revitalized experiential tourism brand, *"Canada. Keep exploring."*

**“Canada is too polite to say so, but it's ready to be fêted. Winter or summer, Canada is a land of action, with an insane amount of terrain to play on.”**

Lonely Planet's Best in Travel: 2009



### Canada Brand Valuation

Brands have a monetary value and are a crucial asset of any enterprise. In 2008, we undertook an initiative to value and benchmark Canada's tourism brand in advance of the incremental Olympic investment and then measure its growth in value through the Olympic strategy period. We engaged the services of Interbrand, the world's leading expert in brand valuation and brand management, which has a proprietary brand valuation methodology that has been accepted around the world by major accounting standards boards, analysts, banks, tax authorities, leading management consultancies, stock exchanges and high courts. Interbrand was able to leverage our world-class research and business intelligence and apply their brand valuation methodology to establish the value of Canada's tourism brand.

Although we lead Canada's tourism branding efforts, the brand is also influenced by a number of different organizations, including provincial and territorial tourism organizations, hotels and resorts, experiential properties, airlines, national and provincial parks, et cetera. This initiative values the impact that our activities have on the Canadian tourism brand, while recognizing the impact other brands have on the overall Canadian travel experience. Though the precise contribution by each partner to the overall value of Canada's tourism brand cannot be determined without significant additional research, the highly valued brand is something that should be celebrated by all partners who have a vested interest in Canadian tourism. Indeed, Canada's tourism brand is proving to be a valuable asset in an industry that is highly dependant on brand to drive purchase.

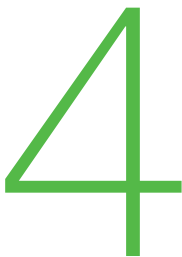
Interbrand has determined that Canada's tourism brand value for the benchmark year of 2007 is \$123.8 billion. A breakdown by market is below. Note that China is not broken out independently in 2007 due to data collection issues in China with Global Tourism Watch in 2007. For 2007 it is in the "Rest of World" classification and will be broken out in 2008 and going forward. This Interbrand valuation will be used as a benchmark to measure growth in brand value as a result of the 2010 Winter Games investment.

### Canada tourism brand valuation results by valuation segment

Measure	Result
	\$
United States	73,758,000,000
United Kingdom	11,311,000,000
Mexico	4,197,000,000
Australia	3,486,000,000
France	3,282,000,000
South Korea	2,425,000,000
Germany	2,412,000,000
Japan	1,821,000,000
Rest of World	21,090,000,000
Total Canada tourism brand value in all markets	123,782,000,000

**"58 percent of the decision to visit Canada is driven by the tourism brand."**

Interbrand's 2008 report: *Valuing Canada's Tourism Brand*



## Priority

### Leverage Media Exposure of Vancouver 2010 Olympic & Paralympic Winter Games

Measure	Result
Media impressions on Olympic Games and Canada tourism	84.1 million

Over the last year, we continued our efforts to leverage Canada's Games in three phases: brand building; leveraging media exposure; and harvesting the afterglow. 2008 was primarily devoted to building relationships and doing the groundwork on programs that will run in the pre-Olympic period from November 2008 through February 2010. The initiatives developed through these efforts have been designed to promote Canada's tourism brand in association with Canada's Games and to maximize collaboration with key partners in the 2010 Olympic Games Tourism Strategy, including: our in-market teams; provincial and territorial marketing organizations; Foreign Affairs and International Trade Canada (DFAIT); the 2010 Federal Secretariat; and other government partners such as the Canada Border Services Agency (CBSA), Agriculture Canada, and the Vancouver 2010 Organizing Committee (VANOC).

#### Statement of Cooperation with the Four Host First Nations

Throughout 2008, we joined forces with the Four Host First Nations (FHFN) – comprised of the Lil'wat, Musqueam, Squamish and Tsleil-Waututh Nations – to work collaboratively to bring greater awareness of Canada's Aboriginal Tourism experiences in the following areas:

- Communications and media relations content for the CTC media site and *GoMedia Canada Marketplace 2008*;
- Leveraging the development and distribution of potential and existing digital assets related to Aboriginal Cultural Tourism Experiences;
- Development of Aboriginal Cultural Tourism programming for a projected 17 days of operations of the Aboriginal Trade Pavilion in Vancouver during the 2010 Winter Games; and,
- Participation of the CTC in the Showcase of Contemporary Aboriginal Expression in Beijing, China, in the summer of 2008.

This is the first time that indigenous peoples have been recognized as full partners in an Olympic and Paralympic Games by the International Olympic Committee. The ceremonial signing of the Statement of Cooperation between the CTC and the FHFN took place on February 5, 2009.

#### Non-Commercial License Agreement with VANOC

On February 25, 2008, we entered into a non-commercial license agreement with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). This agreement permits the CTC to use the Olympic brand – subject to VANOC approval – to showcase and leverage the spotlight on the 2010 Winter Games until December 31, 2010.

#### Memorandum of Understanding with Parks Canada Agency

On November 5, 2008, we signed a Memorandum of Understanding (MOU) with Parks Canada Agency (PCA), uniting our marketing power with the outstanding experiential opportunities offered by the PCA. The agreement provides the framework for greater collaboration on national strategic planning priorities, special events, research and information sharing, as well as communications and promotion. Specific projects include promoting the Vancouver 2010 Olympic and Paralympic Winter Games, collaboration on the Icefields Parkway Planning Initiative, and putting the CTC's Explorer Quotient tool to use in real, on-the-ground situations in order to develop sustainable tourism initiatives. The MOU will support the Government of Canada's efforts for the growth and future sustainability of Canada's tourism industry – in particular small- and medium-size businesses – so as to develop products and promote opportunities to potential markets, as well as enhancing the awareness and quality of visitor experience opportunities in Canada.





### Olympic Mascots International Program

Under the non-commercial licensing agreement between the CTC and VANOC, we sponsored appearances of the three Olympic mascots – Miga, Sumi and Quatchi – at trade and consumer events in Asia and Australia. The program drew upon the popularity of the mascot personalities to promote the Canada tourism brand in association with the 2010 Winter Games. The *Olympic Mascots International Program* commenced November 1, 2008 and will run through December 31, 2009.

The mascots made their first international appearance on November 20, 2008 at the China International Travel Market (CITM) in Shanghai. The CITM is an annual event organized by the China National Tourism Administration; it is the largest professional and consumer trade and travel show in Asia, drawing the attention of the international tourism industry with 3,880 exhibitors from around the world. The mascots appeared on the stage of our booth alongside Shen Xue and Zhao Hongbo, the “Perfect Family” of pairs figure skating who figured prominently in CTC-China marketing campaigns over the past year. The presence of the mascots, along with our Olympic messaging, generated additional attention from the media, consumers and trade show participants. Several Shanghai media outlets covered the mascots’ debut.

On December 28, the mascots appeared at the National Library for Children and Young Adults in Seoul, South Korea. This event was led by the Canadian Embassy in Seoul in partnership with the CTC.



### Connecting with Canadians Program

The CTC and VANOC, having a shared interest in leveraging the international media exposure of the 2010 Winter Games, signed a partnership agreement to develop the *Connecting with Canadians Program*, a program designed to focus media attention on Olympic and Paralympic athletes, and to create unique and compelling stories on Canada through the eyes of their families.

Led by the CTC with support from provincial and territorial tourism partners, *Connecting with Canadians* will provide eight to twelve families of Olympic athletes from our core markets with an authentic seven-day tourism experience in Canada prior to the 2010 Winter Games with a view to documenting these non-Olympic experiences for tourism marketing, media and public relations purposes. Each family will visit a different part of Canada as tourists and will share their experiences using video, audio and/or print and social media.



### Welcome to Canada Program

Along with the Canada Border Services Agency (CBSA), we initiated the *Welcome to Canada Program* to support the awareness of the 2010 Olympic Games as “Canada’s Games.” The program is designed to bring together the CBSA, the CTC and our provincial partners to profile Canada’s tourism brand at major ports of entry across Canada with branded images and key messages that welcome visitors to Canada and highlight the support and leadership of the federal government in “Canada’s Games.” *Welcome to Canada* will run from February 2009 through April 2010.

## 5

## Priority Organizational Excellence

Measure	Result
Extent that organizational values are embedded in culture	69% (↑ from 59.6% in 2007)
Employee engagement	58.5% (↓ from 62.5% in 2007)
Retention rate of employees in succession program	94%
PMPs completed (executed)	87%
Participation rate at training sessions	54%
Training budget expended	89.9%
External awards or recognition received	17

### Strategy-focused Organization

Over the last year, we have advanced organizational excellence by further integrating a performance measurement and evaluation framework to ensure we are a strategy-focused organization. We adopted the five principles of the Balanced Scorecard (BSC) approach in order to link our objectives, measures and initiatives to our overall strategy. The BSC ensures that our corporate strategy is at the heart of our management system and is the foundation for organizational alignment.

#### 1. Mobilize change through executive leadership

We actively engaged our leadership team as agents of change to foster organizational excellence, working to ensure that the leadership team possesses the required competencies to deliver on the strategy. We continued to raise awareness within the leadership team of the benefits of being a strategy-focused organization and integrated strategy management into our core business practices.

#### 2. Translate strategy into operational terms

We used our Strategy Map to visually represent our strategy and our BSC by outlining the key measures and targets used to assess progress fulfilling the strategy; subsequently, our Strategy Map allowed us to clearly communicate to our employees and stakeholders our goal and our approach to achieving this goal.

#### 3. Align the organization with the strategy

In 2008, we continued to ensure that individual business unit strategies were aligned to our organizational strategy. Our Office of Strategy Management worked to ensure that Vice-President-level BSCs were both horizontally and vertically aligned to our overall strategy. In addition, much work was done to ensure that, as individual business units complete their own BSCs, they demonstrate appropriate linkage to our corporate scorecard measures.

#### 4. Make strategy everyone's job

In order to ensure that all employees understand our strategy, we have engaged in ongoing communication and education in order to create a foundation for organizational alignment and generate buy-in and commitment to the strategy at all levels of the organization.

#### 5. Make formulating strategy a continual process

Throughout 2008, we set the foundation to further refine the link between our strategy and the budgeting process in 2009. Corporate strategy management meetings have been established on a monthly basis.

### Promoting Core Values

At our global staff retreat in May 2008, we consulted with all employees in order to define our three

core values: innovation, collaboration and respect. Through promoting a mutual understanding of the meaning of these values, we can better strive to ensure they are ingrained in every aspect of our corporate culture.

#### **Green Workplace Strategy**

In 2008, our volunteer committee of employees with an interest in improving the efficiency and sustainability of our corporate operations undertook an initiative designed to reduce operating costs in the long-term while also reducing the organization's environmental impact. To begin this process, we engaged a third party to perform baseline eco-audits to determine our environmental footprint in fiscal year 2007 in the areas of energy, waste, business travel and procurement. Using the results of these eco-audits, we have drafted a Green Workplace Strategy that will be implemented over the next year in an effort to reduce the CTC's carbon emissions and overall environmental footprint.

#### **Federal Identity Program**

As a Part I, Schedule III Crown corporation we are subject to the Federal Identity Program (FIP), a program to promote clear and consistent identification of Canadian government institutions. In adherence to this program, we updated our FIP Action Plan to guide us in ensuring appropriate and consistent usage of FIP identifiers. We implemented all actions to meet FIP requirements throughout the organization.

#### **Official Languages**

We are committed to both official languages having equality of status and equal rights and privileges within the Commission. We provide services and communicate with our stakeholders, suppliers and partners in their preferred official language from both our offices in Vancouver and Ottawa. We ensure that our corporate culture promotes the effective use of both official languages in the workplace.

We are also committed to involving the English and French linguistic minority tourism business communities in Canada, to ensure fair access to our tourism support services.

We ranked first out of all the 38 institutions assessed this year as part of the Commissioner of Official Languages' 2007-2008 Report Card exercise. We are one of only three institutions to obtain an overall rating of "A"; our overall rating for 2007-2008 is 92.9 percent, placing us in the top spot. The 38 institutions include 18 federal government departments and 20 separate employers such as VIA Rail, Canada Revenue Agency, NAV Canada, Canada Post, and Parks Canada.

### **Human Resources**

Employee Engagement is one of our key measures. Our last annual employee survey indicated a 4 percent drop in Employee Engagement. As a result, a three-part Leadership Development program was launched and the management team underwent a 360-degree evaluation and mandatory coaching; a succession plan was also developed. In addition, the CTC established an internal Tools Task Force to enable the organization to better understand employee needs in this area and provide staff with the necessary tools that they had identified in the survey.

In 2008 the CTC created an internal communications position, thus enabling the organization to provide, timely, relevant information to staff. As well, a regular article is written by the President & CEO to engage staff on discussions relevant to our challenges, the vision of the organization and its priorities.

The position of Chief People Officer was created with a focus on understanding our culture and the business that we are in, combined with a strong human resources perspective.

Collective bargaining is underway and, in full collaboration with the union, we have also undertaken a review of our job classification system which will bring a transparent, equitable, consistent approach in establishing the competencies and skill-sets required within an established pay scale.

### **Information Technology**

The process to replace the soon-to-expire agreement for our Web hosting services officially commenced in the fall of 2008. Through a successful RFP process we were able to select a new Web hosting provider for our online properties. This will ensure that our e-marketing efforts will have the infrastructure required as we re-build the consumer website in time for the 2010 Winter Games. This new contract will give us a more robust Web infrastructure for the anticipated increase in online traffic as we approach the Olympic Games. We were also able to realize a substantial savings of approximately \$2 million over the life of the contract as compared to our current contract.

The CTC has produced an application for handheld devices for the Explorer Quotient™ (EQ) segmentation tool that has now been rolled out on handheld computers for our in-market offices to use at trade shows. This duplicates the online quiz whereby visitors can answer questions and find out their Explorer Type. This has proven to be a successful tool for marketing programs and tactics.

In response to the 2007 internal audit, we conducted a thorough security audit of the entire IT infrastructure; it will result in several security enhancements to our IT infrastructure.



### **Procurement**

To support our preparedness for the 2010 Winter Games, several major procurement initiatives were successfully launched and completed in 2008. As a result of these initiatives, we have guaranteed that we will have access to sufficient quantities of story writers, photographers and video post-production services so as to allow the creation and provision of the content necessary to supply the world's media with information on Canada. Competitive bidding processes resulted in the selection of suppliers to provide the Web hosting services required to meet the informational demands from both media and consumers in the periods leading up to, during, and after the Olympics.

As part of ongoing efforts to coordinate and participate with the Canadian tourism industry, we worked together with several of our provincial partners for the identification and selection of a marketing and communications services provider for the Japanese market, as well as a provider of services to monitor the frequency with which Canada is being discussed within the media.

To contribute to organizational excellence, we put into place the groundwork for the introduction of a records management process in 2009. In addition, negotiations were concluded for facility leases in London, Tokyo and Sydney, and contractual arrangements were established with a supplier to further ensure our preparedness for and compliance with International Financial Reporting Standards, which we will need to have implemented by the beginning of 2010.



# Delivering on our Mandate

The *Delivering on our Mandate* section highlights the activities we undertook in 2008 in support of the four areas of our mandate, including working in partnership with the public sector and private industry, sustaining a vibrant and profitable Canadian tourism industry, marketing Canada as a desirable tourism destination, and conducting and disseminating tourism research.



The following section provides key examples of how we delivered on our mandate in 2008 by:

- 1) leveraging partnerships by supporting cooperative relationships between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism;
- 2) working to sustain a vibrant and profitable Canadian tourism industry;
- 3) marketing Canada as a desirable tourism destination; and
- 4) providing relevant information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

In the interest of measuring the effectiveness of our marketing and sales activities, each example highlights specific results. Determining the impacts of our efforts allows us to identify best practices for the future.

## Leveraging Partnerships

### Partnership Contributions

Our organization is founded on the principle of partnership between the public sector and private industry. Through contributions from partners that match our own funding, we are able to achieve the maximum return on investment for our tourism marketing initiatives.

In 2008, partnership contributions totalled \$95.8 million, resulting in an overall 1.2:1.0 ratio of partner contributions to our annual appropriation.

**The CTC's total partnership contributions in 2008 were \$95.8 million, compared to \$89.6 million in 2007.**

+	\$ 82.9 million	2008 CTC Budget Allocation
	\$ 95.8 million	2008 Partnership Contributions
	\$ 178.7 million	Total 2008 investments toward CTC activities

There are four types of CTC partnership arrangements:

- **CTC-led marketing or sales campaigns:** Arrangements whereby we directly sell advertising opportunities to our partners. Examples of such arrangements are when partners buy advertising space in CTC publications, or when partners buy space at CTC-led events. During 2008, partners invested \$12.4 million in these campaigns.
- **Partner-led marketing or sales campaigns:** Arrangements whereby partners take the lead in managing campaigns and sell advertising opportunities to us. Partnership investments in these types of initiatives totalled \$29.6 million in 2008.
- **Parallel partnerships:** Arrangements whereby we run parallel advertising with our partners. These partnerships are based on signed agreements whereby we and our partners work closely together in order to define the campaign strategy. Typically, we begin the campaign by exposing the market to Canada messages. After a set period of time, the partner enters the market with specific destination messaging and leverages the momentum we already established. Partnership contributions to parallel partnership initiatives in 2008 totalled \$22.4 million.



- **In-kind partner contributions:** In-kind partner contributions are arrangements whereby partners contribute to our marketing or sales campaigns with goods or services rather than actual financial contributions. Examples of such arrangements are when partners contribute to CTC-organized media familiarization (FAM) trips by covering transportation or accommodation costs, etc., or when partners invite us to advertise in publications or at events without cost. In-kind contributions in 2008 were valued at \$31.3 million.

## Sustaining the Industry

### Supporting Small & Medium-Sized Enterprises



As well as bringing international revenue into the country, tourism provides work for many thousands of Canadians. In 2007, Statistics Canada counted 159,493 tourism-related businesses in Canada. Although the majority of those businesses are small and medium-sized enterprises (SMEs) – that is, with fewer than 20 employees – tourism nevertheless accounts for 660,000 jobs. SMEs operate in communities large and small in every province and territory of Canada, and in many ways they are the economic backbone of the country. Canadian businesses provide tourism services in a number of key areas – accommodation, food and beverage services, recreation and entertainment, transportation and travel services – and they deliver strong economic, social and cultural benefits to Canadians in city and country alike.



### Experiences Toolkit

Launched in February 2008, the second edition of our *Experiences Toolkit* is designed to help small and medium-sized tourism businesses position and market their products as experiences rather than commodities. In addition, the toolkit reinforces a collective Canadian voice that presents exceptional and differentiated experiences in the marketplace; businesses that use the guide to align themselves with Canada's tourism brand enhance their product's international appeal. The free guide includes expert advice, from finding the best customers to positioning a product in the marketplace. By demonstrating the shift from product to experience, providing tips so SMEs can add value to their tourism business, and sharing examples of best practices from across Canada, the Toolkit helps to enable SMEs to add to their bottom line and be more competitive in today's ever-changing marketplace.

Measure	Result
Total toolkits distributed in 2008	5,253

To find out whether SME products fit with the idea of Canada's tourism brand, the *Experiences Toolkit* suggests businesses ask themselves the following questions:

- Does my product deliver a unique sense of place or do my customers feel as though they could be anywhere?
- Does my product exist in isolation or is it integrated into the overall tourism experience available in the surrounding market?
- Am I focused on what I have to sell or do I reflect what's important to travellers?
- Am I telling consumers what to buy, or how they will feel when they experience my product?
- Is there a sense of surprise and discovery in my product?
- Is my product unique or could travellers experience the same thing in many other places?

## Signature Events

### GoMedia Canada Marketplace (Canada)

*GoMedia Canada Marketplace* is our premier annual event for international print and broadcast journalists from our target markets. An international showcase event, *GoMedia* provides sponsors with access to a highly targeted market, and Canadian travel organizations have the opportunity to tell media about Canada at one-on-one appointments. In 2008, top Canadian and international journalists took away the best new Canadian travel stories and ideas. The event unfolded July 3 to 6 at the iconic Château Frontenac in Québec City during the city's 400<sup>th</sup> birthday extravaganza.

Measure	Result
Tourism industry attendees	140 (↑ from 100 in 2007)
Industry organizations represented	102
Canadian and international travel media attendees	125 (unchanged from 2007)
Total one-on-one appointments	2,640

### Rendez-vous Canada 2008 (Canada)

Our *Rendez-vous Canada* (RVC) event is Canada's premier annual international tourism industry marketplace. RVC 2008 was held in Vancouver from May 24 to 28 and matched top tourism "product" buyers and sellers in one-on-one business-to-business (B2B) appointments. The 2008 marketplace focused on providing a platform for sellers to showcase intriguing Canadian experiences and ensure relevant product is brought to market by the travel trade. The show is one important facet of how we market Canada to the world. In 2008, RVC attracted one of the largest crowds in its 32-year history.

Measure	Result
Total attendees/delegates	1,728 (↑ from 1,605 in 2007)
Buyer organizations from 29 countries	271
Individual buyer delegates	437
Seller organizations	506
Individual seller delegates	841
Destination Marketing Organizations (DMO)	58
Individual DMO delegates	122
Provincial/Territorial Marketing Organizations (PMO)	13
Individual PMO delegates	119
International Media delegates	11
CTC domestic/international delegates	53
Air Canada international delegates	16
Total one-on-one appointments	23,584 (↑ from 21,430 in 2007)
Canadian tourism product sales (from TIAC survey of sellers)	more than \$350 million

### Canada Media Marketplace (U.S.)

Now in its 20<sup>th</sup> year, *Canada Media Marketplace 2008* welcomed media and destination partners to its annual event held from April 7 to 9 in Los Angeles, California. A cornerstone of our U.S. Media Relations Program, *Canada Media Marketplace* brings together Canadian media directors and representatives from a broad cross-section of the Canadian tourism industry with U.S. travel media. Media guests represent travel and lifestyle journalists from print, electronic, and online consumer and travel publications. The purpose is to exchange the latest Canadian tourism information in a structured, professional setting consisting of scheduled one-on-one appointments and related hospitality events.

Due to the strong interest in social media at *Canada Media Marketplace*, CTC-U.S. and various destination partners hosted *Pittsburgh Post-Gazette* columnist and blogger Samantha Bennett on a two-week adventure from Vancouver to Toronto. Armed with a laptop and a Flip camera, Samantha embarked on a search of quintessentially Canadian sights and experiences to blog about. Her blog was promoted on Kayak.com through its newsletter (with over 2 million subscribers) and an online contest to win a trip to one of three Canadian destinations. Samantha's blog was also promoted through a Facebook group created specifically for this trip and the summer edition of the U.S. Media Relations newsletter "*Canada: Red Hot*," which is circulated to over 3,000 U.S. media.

Measure	Result
Canadian destination partners	109
Media attendees	200 editors, journalists, and television & radio producers
Appointments	2,612

### International Tradeshows

#### China International Travel Mart (China)

Along with 26 Canadian partners, we promoted Canada at *China International Travel Mart 2008 (CITM)*, the biggest travel show in Asia, from November 20 to 23 in Shanghai. On-site performers for promotion and direct talks with media, trade and consumers included the "Perfect Family" celebrities and two Fort Henry Guardsmen. In addition, the three 2010 Olympic Games Mascots were officially introduced to the China market; this was their first trip to Asia.

Measure	Result
Partner attendees	26
Travel agency attendees	30,000
On-site consumer attendees	60,000
Destination exhibitor attendees	106
Registered buyer attendees	1,200
Equivalent ad value generated	\$686,222

#### Showcase Canada (China)

*Showcase Canada 2008* was held from June 9 to 12 in Macau, China. The three days of prescheduled business-to-business meetings provided a unique opportunity for networking and relationship building between the Canadian partners and key travel agents from throughout China. Main partnership contributions were provided by Air Canada, the Ontario Tourism Marketing Partnership Corporation (OTMPC), Tourism British Columbia, Tourisme Québec, Travel Alberta and WestJet.

Measure	Result
Chinese travel agent attendees	53 (↑ from 46 in 2007)
Canadian organization attendees	51 (↑ from 46 in 2007)
Canadian delegate attendees	80
Total one-on-one appointments	over 2,700

### Canada Corroboree Road-Show (Australia)

*Canada Corroboree Road-Show*, a major annual road-show held in Australia targeting travel agents and media, was held from February 4 to 13. *Corroboree 2008* travelled to Sydney, Melbourne, Brisbane, Gold Coast and Adelaide. Canadian representation was strong with 18 presenters and 5 tabletops. There were a number of new participants, including Tourism Saskatchewan, Big White/Silver Star, Cruise North Expeditions, B.C. Casinos, and Icefield Helicopter Tours. We staged two media lunches in Sydney and Melbourne where Canadian partners had the opportunity to meet and present to Australian media, including newspapers, magazines, radio and TV. The *Canada Corroboree B2B Event* was again held in Sydney with 25 key Australian wholesalers attending to discuss new product and marketing plans for the upcoming year.

Measure	Result
Canadian and Australian exhibitors	40 (↑ from 30 in 2007)
Travel agent attendees	781 (↑ from 761 in 2007)
Australian media attendees	over 70

### Conozca Canadá (Mexico)

The ninth annual *Conozca Canadá* was held in Mexico City from September 17 to 21. The four-day event brought together suppliers from Canada and buyers from Mexico and Latin America to foster trade and tourism exchanges for the benefit of both industry players and consumers. Events included a retail travel agent marketplace and a two-day wholesale tour operator business exchange. In addition, to meet the increasing demand by Mexican media for information on Canadian tourism topics, we held – for the second time in Mexico – a mini *GoMedia Canada 2008* event, thus facilitating one-on-one encounters with editors, journalists, and radio and TV producers in Mexico. We also held a gala dinner on September 11 where the *Canadá a Voces Media Award 2008* was presented to recognize the work of the Mexican media in increasing the promotion of Canada among the Mexican public.

Measure	Result
Canadian sellers	107 (↑ from 90 in 2007)
Mexican buyers	40 (↑ from 39 in 2007)
Mexican travel organizations	33
GoMedia Mexican media attendees	39 (↑ from 37 in 2007)
GoMedia Canadian marketing attendees	21 (↓ from 26 in 2007)
GoMedia one-on-one appointments	819 (↑ from 676 in 2007)

Canada is the third most popular international destination for Mexicans, and has attracted 18 percent of Mexican international travellers over the past three years. As a tourism market, Mexico is showing great growth and opportunity for Canada. Overnight trips by Mexican visitors have increased an average of 15 percent per year over the last 10 years.





### Spotlight Canada (U.K.)

In March, we hosted the 18<sup>th</sup> annual *Spotlight Canada* event in partnership with the Ontario Tourism Marketing Partnership Corporation (OTMPC), Toronto Tourism, Travel Alberta, Tourism British Columbia, Tourisme Québec, Northwest Territories Tourism, Nunavut Tourism, Yukon Tourism & Culture, Air Canada and media sponsor *Travel Weekly*, the U.K.'s top travel-trade paper. The importance attributed to the event for connecting the U.K. marketplace with the Canadian tourism industry was highlighted in the post-event survey, whereby 86.1 percent of respondents (U.K. buyers) rated *Spotlight Canada* as the 1<sup>st</sup> or 2<sup>nd</sup> most important trade event for their business – ahead of *Rendez-vous Canada* (57.2 percent), *World Travel Market* (52.8 percent), *Canada's West* (17.9 percent) or *ITB* (10.3 percent). The two-day event retained its business-to-business perfect match, pre-scheduled appointment format, as well as social and networking opportunities. The gala dinner on the last night of the event saw the British Annual Canada Travel Awards (BACTAs), now in its 19<sup>th</sup> year, honouring the U.K.'s "best of the best." We built on the event's strengths of previous years (e.g. choice of venue; invitations to media) while improving on other areas (e.g. website; general communication); our efforts were acknowledged by the buyers in the post-event survey, whereby 59.1 percent of respondents rated the 2008 event either a "very good" or "excellent" improvement on 2007.

Measure	Result
Buyers	105 (↑ from 102 in 2007)
Suppliers	84 (average of 25.5 appointments ↑ from 20 in 2007)
Press	57 (incl. highest-ever number of pre-registrants: 34)
Buyers expecting to contract new business as a result of Spotlight 2008*	92.3% (↑ from 80.4% in 2007)
Met the business objectives of attending buyers*	97.4% (↑ from 87.2% in 2007)
Met the business objectives of attending suppliers*	94% (↑ from 72.5% in 2007)

\* 2008 Spotlight survey



### World Travel Market (U.K.)

A total of 100 partners representing 35 Canadian companies joined our stand at *World Travel Market* (WTM) from November 10 to 13. CTC-U.K. created a "Canada Explorer" lounge on the Canada stand and incorporated themes around the 2010 Olympic and Paralympic Winter Games. With VANOC approval, we secured branding in the Canada Explorer Lounge and presented a Canada destination/Olympic video on a screen in the lounge. Over 50,000 industry representatives visited the show during the four-day period.

We leveraged WTM as the platform to soft launch the Explorer Quotient™ (EQ) to the U.K. travel trade. Invitations were sent to 150 U.K. tour operator clients, inviting them to "Take the EQ Challenge" in the Canada Explorer Lounge. All participants would receive a Flip movie camera to record their own Canada memories, and a USB memory stick with WTM partners' news, information on Spotlight Canada, a Canada video clip and EQ product information. Sixty operators participated in the EQ quiz, with one-on-one sessions led by CTC-U.K. team members, resulting in very positive reactions from tour operators. Most participants reported they would take the idea back and encourage staff and friends/family to discover their own EQ, demonstrating that the tool has a great personal interest element as well as business impact.

Measure	Result
Canadian partner attendees	100 (unchanged from 2007)
Canadian companies represented	35 (unchanged from 2007)
Equivalent ad value generated	\$248,437

### Showcase Canada 2008 (South Korea)

*Showcase Canada 2008*, the annual marketplace showcasing Canada in Seoul, Korea, brings together Canadian sellers and Korean buyers in a business exchange environment with a proven format of pre-scheduled appointments and networking events. *Showcase Canada* took place on October 16 in Seoul and on October 17 in Busan. In Seoul, there was a 1:1 business marketplace ratio between 42 Canadian sellers from 30 organizations (a record high participation rate) and 30 Korean buyers. A VIP Dinner Reception, sponsored by Tourism British Columbia, brought together 80 industry decision-makers, media and non-traditional partners. On October 17, 33 Canadian sellers from 25 organizations travelled to Busan and engaged in the one-on-one appointments, training sessions and dinner reception with Busan buyers.

Measure	Result
Canadian sellers in Seoul	42 (↑ from 38 in 2007)
Canadian partners in Seoul	30 (↑ from 24 in 2007)
Korean buyers in Seoul	30 (↓ from 34 in 2007)
Canadian sellers in Busan	33 (↑ from 28 in 2007)
Canadian partners in Busan	25 (↑ from 20 in 2007)
Total meetings conducted	689 (↑ from 528 in 2007)
Return on investment ratio	2.9:1 (↑ from 2.2:1 in 2007)

### Kanata 2008 (Japan)

*Kanata 2008*, the annual marketplace showcasing Canada from coast to coast, took place October 19 to 23 at the Four Seasons Hotel at Chinzan-so, Tokyo. The event brought together Canadian suppliers and buyers from across Japan in a business exchange with pre-scheduled appointments and networking events. Reformatted for 2008, the event provided significant time and cost savings by consolidating the event into one venue and by introducing a unique co-sponsorship model for provincial and territorial partners to receive recognition across all aspects of the event.

Measure	Result
Canadian seller attendees	70 from 48 organizations
Partner contribution	\$120,000
Japan buyer attendees	117 from 73 agencies
Total seller-buyer appointments	1,977
Estimated ad value	\$45,000



### ITB (Germany)

Berlin's ITB is one of the most important tourism trade shows in the world with over 10,000 exhibitors from more than 180 countries. The 2008 event was held from March 5 to 9 with 177,000 visitors. The new Canada pavilion with 46 exhibitors was well received by both partners and visitors. CTC-Germany hosted an event at the Canadian Embassy on March 6 with a new visitor record of 238 guests, including Canadian partners and German-speaking media and trade representatives. Steve Allan, the CTC's new Chair of the Board, was introduced during this event, which was again well received by the audience. All Canadian provinces and territories contributed financially, as well as Air Canada, Fairmont Hotels & Resorts and Delta Hotels. Suzuki provided a Canada-branded Grand Vitara car which was placed close to the Canada pavilion and raffled off to an attendee.



### Top Résa (France)

At the 2008 Top Résa trade show held from September 16 to 19 in Paris, CTC-France collaborated with many partners to showcase Canada as a travel destination. The event featured participation by 25 exhibitors, including Atlantic Canada Tourism Partnership, the New Brunswick Department of Tourism and Parks, Tourisme Québec, Le Québec Maritime, Le Québec Authentique, Québec ville et région, les Laurentides/Nord de Montréal, Tourisme Saguenay-Lac St Jean, Tourisme Charlevoix, Parc Olympique de Montréal, OTMPC, CDE Manitoba, Travel Alberta, CDE Alberta, RDEE Yukon, Nunavut Tourism and Northwest Territories Tourism. In addition, five destination management companies (Go West, Nanuq Aventures, CACF, Brewsters and Jonview) and three airlines (Air Canada, Air Transat and WestJet) partnered with us to make the event a success.

### Innovative Industry Communications

#### Online CTC Media Centre

Our new CTC Media Centre website was launched on July 3 with three main sections: CTC News, Story Ideas and Industry Forum. The CTC News section delivers timely, pertinent news on CTC research and projects in a straightforward, engaging style, and replaces our e-mail newsletter *Tourism Daily News* and the bi-monthly print magazine *TOURISM*. The interactive format, including photos, videos and links to more information, echoes our strategy of staying relevant to our stakeholders, namely small and medium-sized Canadian tourism businesses, the industry in general, government partners, and tourism destination marketing colleagues.

The Story Ideas section contains short news dispatches designed to inspire media to produce their own stories about Canada. CTC reporters across the country regularly uncover news and trends, and post their findings here. Media are welcome to leverage these stories for editorial and non-advertising use.

The Industry Forum section includes the latest news as posted by Canadian tourism industry members. This section includes updates on openings, personnel appointments, new products and events. Canadian tourism operators and marketing organizations are all welcome to submit news to the forum. The site also contains photos, video footage, fact sheets, backgrounders, general information on Canada, contacts, maps and media resources. To learn more about the Media Centre website, visit [www.canada.travel/mediacentre](http://www.canada.travel/mediacentre).

#### Visiting Journalist Program

The Visiting Journalist Program (VJP) is an initiative that, through partnership with the provinces and territories, provides travel support for Canadian media who wish to profile Canada. In 2008, the program assisted in supporting 110 online, print and broadcast journalists and media from around the country to share their experiences in Canada's awe-inspiring places. The 2008 VJP increased its emphasis on supporting broadcast media in order to leverage the higher circulation and ad value inherent in that form of media. Highlights for the year included support to the very popular French Canadian show *La Petite Séduction* for its trips to Manitoba and Saskatchewan, *ET Canada*'s visits to Vancouver and Calgary, and *National Geographic Kids* for its trip to Québec City's Winter Carnaval. The 2008 VJP continued to increase media and public awareness of the CTC's importance in Canada's tourism industry by building relationships with partners and media. Over the next year, VJP will aim to further align the projects it supports to our marketing vision by integrating Canada's Unique Selling Points and the EQ™ tool into our guiding approach.

### Social Media Product & Content Distribution

As times change, so do consumer habits. Now that online social networks, blogs and discussion forums are part of daily life, today's consumers have more power to make their opinions heard, share their interests and influence others. They come together in social networks to champion their ideas, share content and files (e.g. videos, photos, texts) and meet other people who share their interests. In other words, word-of-mouth has become more influential in the consumer's decision-making process.

In 2008, we started building a foundation for social media activities, concentrating on content development in preparation for distribution in 2009. Working with all 13 provinces and territories, we developed digital content to make a multidimensional Canada available to all. Over 200 short videos were created and these efforts will continue in 2009. One video entitled "*Canoes on Moraine Lake*," which was produced in partnership with Banff Lake Louise Tourism, was named Yahoo!'s video of the week in August 2008 and had over 23,000 views on You Tube by the end of 2008. Watch the video at: [www.youtube.com/watch?v=Z9lYWb6oTeE](http://www.youtube.com/watch?v=Z9lYWb6oTeE).

Our focus is on being present where travellers congregate and interacting with them. In this way, we created a profile for Canada's tourism brand on social networking, video and photo-sharing sites, and started dialogues with bloggers and in forums to stimulate viral marketing. CTC-produced video-clips and short documentaries were posted on sharing sites to take advantage of word-of-mouth and the viral effect of the Internet. In short, we took steps to ensure that the most information possible about Canada's tourism brand is available to travellers.

### Canada Specialist Program

The Canada Specialist Program (CSP) is a comprehensive trade development and education program designed to differentiate Canada with a key distribution network. The program is integrated with the other components of the market-specific and global strategy and runs in all of our core markets. Ultimately, CSP encourages increased bookings to Canada by educating travel agents and tour operators' sales and reservations teams regarding Canada product. Based on varying market needs, participating travel agents are offered a range of information and support to increase their ability to sell Canada as a destination, including:

- certified training programs and testing;
- conferences and seminars;
- familiarization (FAM) trips;
- tools and training manuals; and
- Canada specialist websites and e-newsletters.





### Online Explorer Canada Specialist Program

In October 2008, we launched the first level of our online CSP training tool, the *Explorer Program*. The program provides online destination training for travel agents in our markets plus a range of activities and promotions to keep Canada top-of-mind. Participating front-line staff are offered a range of information and support, including:

- online training modules and exams with instant results;
- downloadable certificates for each specialist module;
- online booking tracking system for incentives and promotions;
- selling tools including maps and posters;
- familiarization trips;
- invitations to special Canada events;
- e-newsletters;
- promotions exclusive to our Canada Specialists; and
- trade-only telephone support line for advice on selling Canada.

The CSP offers varying levels of accreditation, all of which are designed to deepen a travel agent's knowledge of Canadian experiences. Available in all of our markets, the first level of CSP bestows on graduates the title of "Canada Explorer"; information at this rung is based on country-specific EQ types and Canada's unique selling points. More advanced levels provide travel agents with the ability to search for experiences based on EQ types, to access the EQ survey, and to learn how to use the segmentation tool to drive their own sales and marketing. CSP is a primary platform for engagement of agents as part of the 2010 Afterglow Strategy.

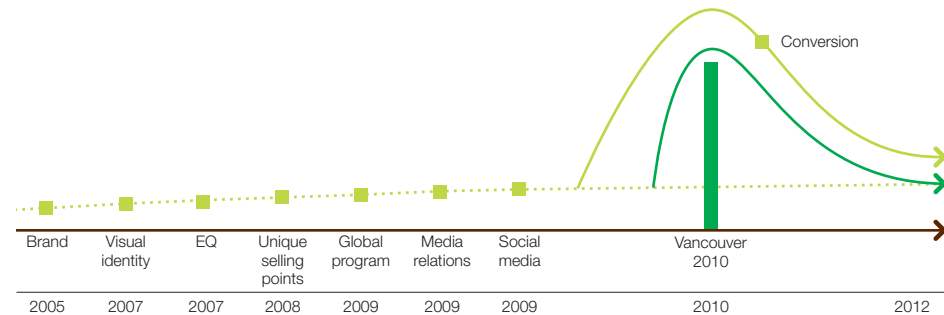
Measure	Result
Total agents registered in CSP in 2008	5,174

### Marketing Canada to the World

#### Global Platform Strategy

In 2008, we developed a Global Platform Strategy as part of a 10-year plan to inspire the world to explore Canada. The strategy focuses on global markets and consumer market segments with the highest potential for return on investment. Research shows that social value and travel value factors are consistent across all nine of our core markets, thus reinforcing that globally we could focus on two of the four EQ segments (Enthusiastic Indulgents and Learners) to deliver on optimal growth in export tourism revenues for Canada. For these two EQ segments, travel is a lifestyle; these international travellers are some of the most passionate and constant high-yielding in the world.

The Global Platform Strategy is designed to align Canada's tourism brand with the travel preferences identified by the EQ segmentation tool. As a result, it will enable the marketing, sales and communications teams to advance perceptions of a Canadian travel experience to create a renewed sense of urgency to visit Canada. It will also deliver on operational efficiencies tied to reduced spending on creative, photography, copy and agency fees and increased production values tied to the development of EQ-relevant imagery and broadcast marketing, sales and media assets that bring Canada's travel experiences to life. This new strategy has already shown positive signs of generating year-over-year improvement and has been well received by key stakeholders in the tourism industry. Still, the real reward of this global approach will be realized as it is applied in the run-up to the Vancouver 2010 Olympic and Paralympic Winter Games.



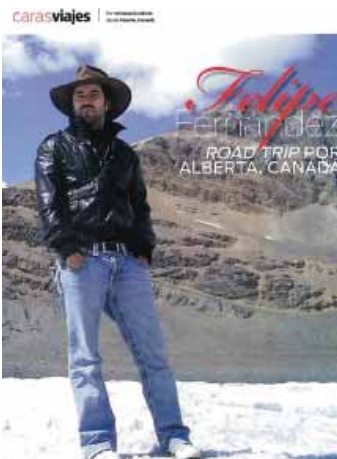
Over the past 4 years, the CTC has laid a solid foundation to Capitalize on the Olympic Opportunity and to Grow Export Tourism Revenue through Partnership with Industry and a focus on Deepening Relationships with High-Yield Consumers.

- **Brand** gave us a compelling and consistent vision of the Canadian travel experience;
- **Visual Identity** gave us a common look & feel to integrate into our communications;
- **EQ Explorer Quotient™** give us a shared global and market-specific understanding of our best target travelers and the ability to reach their hearts and minds;
- **Unique Selling Propositions** differentiate Canada with unique experiences and focus our product messages and content creation efforts;
- **Global Program** builds on all the above to present a consistent and compelling image of Canada to the world and makes us more efficient in our communications, content development distribution efforts
- **Media Relations**
- **Social Media**
- **Conversion**

#### Bringing the Brand to Life: 2008 Marketing Campaigns

##### Hola Canada / Key Influencer Campaign (Mexico)

For our fall 2008 campaign, CTC-Mexico partnered with Tourisme Québec, Tourism Alberta and the Ontario Tourism Marketing Partnership Corporation (OTMPC) to develop “*Hola Canada*,” an innovative promotion that combined media FAM tours, traditional print and display advertising, as well as social media content to reach affluent Mexicans in three key cities: Mexico City, Guadalajara and Monterrey. To gain credibility in the Mexican market, we sought out “key influencers,” or trendsetting Mexican personalities/celebrities, who could showcase Canada’s diverse and sophisticated nature and target high-yield consumers. Guadalajara-based fashion designers Julia and Renata Franco visited Québec City; TV chef Monica Patino toured Ontario and Québec; and Oscar-nominated art director/film producer Felipe Fernandez del Paso went to Alberta. Overall, *Hola Canada* was designed to enhance the social status of Canada as a travel destination, create unique content for distribution, and generate media coverage. After the influencers returned to Mexico, we hosted a VIP and media event featuring a video presentation of their Canadian explorations. Coverage of the influencers’ adventures appeared in A-list travel and lifestyle magazines such as *InStyle*, *Travel & Leisure*, *Caras* and *Casas & Gente*. This media exposure was supported by a broad consumer-oriented advertising campaign on websites, in magazines, as well as through images on buses and bus shelters.



Measure	Result
Equivalent ad value generated	\$325,128

“Canada is the new black.”

- Oscar-nominated art director/film producer Felipe Fernandez del Paso



### Cart'Com Campaign (France)

*Cart'Com* is a unique media campaign based on the concept of free postcard distribution. Throughout December, CTC-France distributed postcards to potential travellers in 1,290 key places in Paris and Lyon, including trendy bars, restaurants, museums, bookshops, Virgin Megastore, and leisure centres (e.g. movie theatres, sport and fitness centres). Tour-operators were solicited to insert advertising on the reverse side of the card. The top 15 tour operators were invited to participate in an innovative advertising campaign requiring measurable sales results from their package offers. Tour operator partners included: Grand Nord Grand Large (40,000 copies); Vacances Transat (50,000 copies); Back Roads (40,000 copies); Jetset Equinoxiales (20,000 copies); Meltour (20,000 copies); Terre Canada (20,000 copies); Vacances Canada (20,000 copies); Aventuria (20,000 copies); Voyageurs au Canada (20,000 copies); and Vacances Fabuleuses (10,000 copies).

Measure	Result
Percentage of cards taken for CTC campaign (Paris)	93% (compared to 90% for other campaigns)
Percentage of cards taken for CTC campaign (Lyon)	85% (compared to 83% for other campaigns)
Total cards produced with partners for distribution	260,000
Circulation rate*	2.3%
Percentage of cards taken by consumers	92%

\* Opinion Way



### Perfect Family (China)

In April 2008, we launched the "Perfect Family" promotion at the Shanghai World Travel Fair. Working with [www.sohu.com](http://www.sohu.com), a popular Chinese news and entertainment website, CTC-China conducted an online survey asking people what kind of character traits successful families shared, and which well-known Chinese couples might be the "Perfect Family." The campaign goal was to increase awareness of Canada as an international travel destination to the world's largest population. At a press conference on September 1, 2008 CTC-China announced the results of the poll. Shen Xue and Zhao Hongbo, the legendary couple of the ice-skating world, were named CTC's Perfect Family. The pair married after their third World Championship title in 2007, and have been competing internationally since 1992. They are well-known heroes in China, a country that actively promotes family harmony and values.

The Perfect Family toured Ontario and Alberta as guests of the CTC, with a Chinese media crew covering details of their trip. The couple made a special appearance at the *China International Travel Mart (CITM)* to help promote Canada in late November.

Measure	Result
Total press clippings from Perfect Family unveiling media event	81
Equivalent ad value generated	\$260,000



### Rose Wedding (China)

In cooperation with the Ontario Tourism Marketing Partnership Corporation (OTMPC), Ottawa Tourism, Toronto Tourism and Tourism Niagara, CTC-China launched a campaign to highlight Niagara Falls and Niagara-on-the-Lake as world-famous destinations for weddings and honeymoons. In October, 13 Chinese couples accompanied by over 40 staff – including a Shanghai TV crew and officials from [www.sohu.com](http://www.sohu.com) (one of the most popular websites in China) – tied the knot in Niagara Falls as part of the Rose Wedding project. This “mass wedding and honeymoon” was filmed for Shanghai’s popular “Date on Saturday” reality show. CTV and *The Ottawa Citizen* interviewed the couples and highlighted the event. Rose Wedding was strategically linked with the Perfect Family concept as well; the unveiling ceremony of Perfect Family in September and the Rose Wedding in October worked to leverage repeated messaging.

Measure	Result
Ad value from online promotion	\$550,000
Ad value from TV program	\$2,600,000
Ad value from local print coverage in Shanghai	\$3,800
Total news clippings produced	252
Equivalent ad value generated	\$3,315,000

### M.A.D.E. in Canada (U.S. Leisure)

With California targeted as one of our primary markets in both sales and marketing efforts, CTC-U.S. collaborated with partners to bring a cross-level marketing execution called “M.A.D.E. in Canada” at The Grove in Los Angeles. From May 8 to 11, M.A.D.E (Music, Art, Dance and Entertainment) in Canada exhibited a series of cultural and experiential events featuring unique Canadian experiences, including a specially commissioned creation of the Northern Lights as an aerial acrobatic dance show, which drew a crowd of nearly 3,500 people. 35 performers – including one suspended over the crowd by a 22-foot helium balloon – dazzled the audience for an entire hour of acrobatics set before a sky-like backdrop and a light show depicting the aurora borealis. The event also featured examples of Canada’s wit and humour through stand-up comedians, Canadian musical offerings, and contests to win trips to various Canadian destinations. As a result of our efforts, a segment about the M.A.D.E. in Canada events at The Grove aired on May 10 on *KTLA Prime News* with an estimated audience of 65,929. As a result of the successful execution of this campaign that achieved valuable coverage, we received a Hospitality Sales & Marketing Association International (HSMAI) Adrian Award for Advertising, Public Relations and Web Marketing.

Measure	Result
Ad value from <i>KTLA Prime News</i> segment	\$2,984
Total media impressions resulting from media outreach efforts	1,565,000
Radio	200,000
Online	1,300,000
Broadcast	65,000



#### Whispering Windows (U.S. Leisure)

In the summer of 2008, we leased urban storescapes in high-traffic areas of Manhattan. Creative displays of a variety of Canadian experiences were portrayed on the storefronts to complement other CTC marketing messaging (e.g. outdoor, print, online, magazine). We were able to add extra impact to the storescapes by employing Bluetooth technology; as consumers walked by, they would receive an invitation on their Bluetooth-enabled device (e.g. iPhone). The invitation would ask, “Would you like to receive a message from Canada?” If they answered yes, a 10-second video was played on their phone. Our partners were the Ontario Tourism Marketing Partnership Corporation (OTMPC), Niagara Falls Tourism and Ottawa Tourism. The campaign won a Silver Media Innovation Award from *Marketing* magazine.

Measure	Result
Invitations sent to view video	24,000
Invitations accepted to view video	9,600
Response rate	40%



#### Step into Canada “Call of the Wild” (U.K.)

From January 21 to February 15, we partnered with the Ontario Tourism Marketing Partnership Corporation (OTMPC), Travel Alberta, Tourisme Québec and the Atlantic Canada Tourism Partnership to engage visitors at Canary Wharf by immersing them in iconic landscapes such as a luxurious Rocky Mountain lodge, listening to jazz music on a Quebec street, touring an Ontario vineyard, and standing on an Atlantic pier. The exhibit included the award-winning Canada Dome, which was featured on an episode of BBC One’s popular television show, *The Apprentice*.

Throughout the campaign, highly trained ambassadors were on-site to answer visitors’ questions. On average, the exhibit attracted approximately 120,000 people per day (Monday to Friday), 90 percent of which had an average salary of \$100,000 (source: *Independent Newspaper*, Business Section).

Fueled by such innovative CTC marketing efforts, total visits to CTC-U.K.’s consumer website increased 53 percent for 2008; total page views jumped 64 percent over last year. Online traffic to Canadian tourism operator websites via our site increased by 530 percent. In addition, consumers who said that they were likely to visit Canada within the next year increased to 18 percent from 10 percent.

Measure	Result
Soft engagements (less than 2 minutes)	8,286
In-depth engagements (longer than 2 minutes)	11,633
Total engagements	19,919
Bluetooth messages accepted and downloaded	8,500
People who entered the “Win an Adventure Holiday to Canada Competition,” through which their email address was added to a database	1,240





### Anne of Green Gables (Japan)

In an effort to leverage the popularity of the red-headed heroine of Lucy Maud Montgomery's world-renowned novel, CTC-Japan celebrated the 100th anniversary of *Anne of Green Gables* by organizing and conducting numerous promotions and initiatives with the Atlantic Canada Tourism Partnership, Tourism P.E.I. and many different Japanese marketing partners in an effort to boost trips to Canada. Lucy Maud Montgomery's granddaughters and *Anne* translator Hanaka Muraoka contributed as guest speakers. Overall, successes included:

- a series of TV specials broadcast on the NHK public network throughout the year;
- four TV shows and nine lifestyle magazines filmed in P.E.I. and Atlantic Canada;
- J-Wave live broadcasted from P.E.I. on June 20 (the date of publishing);
- an essay contest and bookstore promotions with a publisher;
- a cultural exhibition toured major department stores throughout Japan;
- a special CTC-Japan *Anne* website ([www.canada.jp/anne](http://www.canada.jp/anne)) featured promotions and tour products with travel agencies; and
- additional projects were executed with content providers such as a theatre company and animation producers.

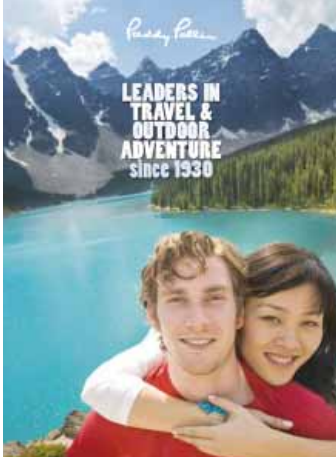
As a result, the number of Japanese tourists to P.E.I. between January and October rose 70 percent from that of the previous year.

Measure	Result
Total partner contributions	\$3,500,000
Total media value generated from Anne of Green Gables promotions	\$110,000,000

### Canada Winter Experiences (Japan)

At the height of the 40-degree Tokyo summer, CTC-Japan and partners Tourism British Columbia, Travel Alberta, the Ontario Tourism Marketing Partnership Corporation (OTMPC), Air Canada, Northwest Territories Tourism and Banff Lake Louise Tourism were hard at work thinking "winter" and planning the launch of the \$1.5 million Canada Winter Experiences campaign. Riding the wave of interest generated by the summer national campaign (which generated over \$2.7 million in advertising value, added 50,000 new consumers to our database, and resulted in 600,000 page views on the campaign site), CTC-Japan took key learnings and in-depth consumer research from the campaign to build a more robust and focused consumer advertising program for the winter. The 2008 winter campaign highlighted five amazing and uniquely Canadian winter experiences (products that are iconic, experiential and leverage off of Canadian winter highlights), each promoted by a key trade partner with a direct call-to-action to increase conversion. The highlighted experiences were: 1) a northern lightshow in the Northwest Territories; 2) polar bear viewing in Churchill, Manitoba; 3) winter activities on the Ottawa Rideau Canal; 4) Fairmont castles in Banff National Park and World Heritage site; and 5) visit Whistler first before the 2010 Winter Games.

Measure	Result
Special all-Canada edition of Metropolitana Magazine distributed in 52 Metro and rail stations throughout Tokyo	100,000 copies
Six e-mail magazines sent to CTC-Japan consumer database	110,000 members



#### Paddy Pallin Summer Catalogue Shoot (Australia)

CTC-Australia and Travel Alberta, in conjunction with Banff Lake Louise Tourism, arranged for a crew of five from Paddy Pallin, an Australian travel adventure store, to fly to Banff for a week-long period to shoot their summer 2008/2009 catalogue. The campaign resulted in 20,000 Paddy Pallin members receiving a glossy 76-page catalogue with images of Banff Lake Louise, with 35,000 copies of the catalogue being distributed through 14 Paddy Pallin stores throughout Australia.

Measure	Result
Australians exposed to Canada's tourism brand	4,984,000
Equivalent ad value generated	\$105,800



#### Cooperative Ski Campaign (Australia)

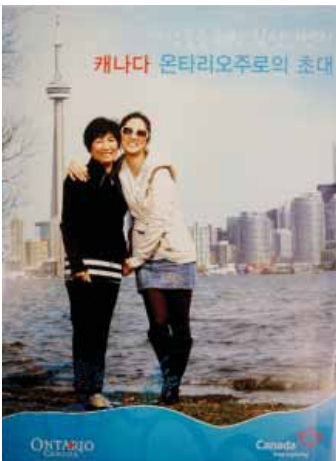
CTC-Australia's Cooperative Ski Campaign ran from June 15 to September 30 and worked to increase awareness of Canada as the preferred ski destination. By generating a sense of urgency to visit Canada over the following year, the campaign also captured segmented consumer data for future communications. The campaign was delivered through a fully-integrated approach, incorporating communications, media, and online strategies. Overall, the 2008 Ski Campaign exceeded performance metrics across the majority of tactical activities. The tailored content "created a journey" to take consumers deep into the [www.skicanadanow.com/au](http://www.skicanadanow.com/au) website, creating segment-specific experiences while building preference and intention to choose Canada over competing destinations. The campaign attracted strong partner support and increased the 2007 cooperative investment, most notably from wholesalers by 50 percent.

Measure	Result
Database leads delivered	5,994

### Leveraging Canada's Tourism Brand Through Non-Traditional Partnerships

#### Canada Maple Generation (South Korea)

In 2008, CTC-Korea successfully executed the Canada Maple Generation campaign in partnership with the Ontario Tourism Marketing Partnership Corporation (OTMPC) for the third consecutive year. CTC-Korea and OTMPC appointed Ms. Bit-Na Wang, one of Korea's top actresses, and her mother as the "2008 Maple Mother-Daughter" to promote Ontario and Canada as an attractive travel destination for mothers and daughters. Such respected celebrities are very popular and portray a favourable image of Canada in Korea; celebrity marketing attracts higher Korean public attention and intrigues Korean audiences to follow their Canada travel experience.



The mother-daughter celebrity couple travelled to Ontario to experience destinations, food, culture and outdoor activities. Their personal experiences were aired through a TV show and compiled in a brochure and DVD for consumer use. The fully-integrated marketing campaign included media exposure (focusing on TV coverage), new product development and sales by tour operators, co-op advertising using the celebrity couple, and non-traditional partnership events promoting family travel using celebrity images and photos. Finally, CTC-Korea and OTMPC partnered with Estée Lauder (a non-traditional partner) and the Seoul Plaza Hotel to hold a consumer event to highlight the Canada Maple Generation campaign.

Measure	Result
Participants who attended consumer event in Seoul	1,530
Ad value from 70 minute spot on TV show	\$860,000



### Fly & Drive (South Korea)

In partnership with Air Canada, Tourism British Columbia and Tourism Alberta, CTC-Korea ran an integrated marketing campaign in May and June called Fly & Drive. The campaign highlighted Canada as a travel destination and included a FAM tour for six travel agents (May 7 to 14), a media FAM tour for eight daily newspapers (June), a cooperative online advertising component (June), and a non-traditional in-store and online event with Paris-Croissant Food Company, a South Korean food company that specializes in manufacturing French classic bread and confectionary products. Campaign posters and entry slips for the chance to win a trip to Canada were showcased at all of the 2,000 Paris-Croissant Food Company stores throughout South Korea.

Measure	Result
Total event participants	9,420

### Clever Women (Germany)

CTC-Germany's Clever Women campaign for 2008 was a multi-level campaign including an online portal ([www.cleverwomen.de](http://www.cleverwomen.de)) designed to persuade modern women aged 20 to 60 to travel to Canada. Several promotions fostered consumer feedback and trip sales, including celebrity trips by Sonja Kling, a German actress, who was accompanied by German TV and print media. Sonja invited consumers to follow her on a humorous tour through Canada. Sonja presented beaches, shopping opportunities, nature close to cities, modern survival, French-speaking provinces, haute cuisine, Canadian modern design, world-class skiing, fly fishing, icebergs, whale watching, and more. Other non-traditional promotions included partnerships with companies such as KHUJO to run a model contest and collection shooting in Alberta, Chariot to promote a family image upload contest in Atlantic Canada, ElitePartner to highlight an image upload contest for a blind date in Atlantic Canada, and Designspotter.com to feature design and lifestyle reports from Ontario and Alberta. One main success of this year's Clever Women campaign was the ongoing development and growing popularity of CANASTASIA, the Clever Women campaign magazine.

Measure	Result
Unique visitors to <a href="http://www.cleverwomen.de">www.cleverwomen.de</a>	40,000
Number of visits/downloads of CANASTASIA	9,312
Total package sales for Clever Women	\$120,000
Expected ad value generated	\$1,500,000

### Leveraging Canada's Meetings, Convention & Incentive Travel Strategy

The MC&IT strategy positions Canada as a quality alternative to the U.S. and other international meeting and incentive destinations. It was developed six years ago and provided the foundation for what continues to be one of our most successful business units, with our MC&IT team working closely with provincial and destination partners. Industry events afford Canada the opportunity to expose large audiences of the association, corporate and incentive markets to state-of-the-art facilities, high service levels, diverse destinations and distinctive niche product experiences resulting in increased business for Canada.



### Meeting Professionals International (MPI) Strategic Partnership (U.S. MC&IT)

Our MC&IT program depends largely on fully-integrated national strategic partnerships with industry organizations. Each partnership is targeted to a key segment, and Meeting Professionals International (MPI) allows us to connect with the high-yield corporate and incentive customer. A key objective of these partnerships is to secure annual meetings in one of our key Canadian destinations. With MPI – the meeting and event industry’s largest and most vibrant global community, comprising more than 24,000 members belonging to 70 chapters worldwide – there has been considerable success; most recently, MPI held its World Education Congress (WEC) in Montréal in 2007, and will return to Canada when it convenes in Vancouver in 2010.

To meet the needs of Canadian partners, our 2008 MC&IT plan included an international module designed to extend the reach of our efforts. We were a founding partner in the MPI’s “Meetings Without Borders” educational program developed for planners who plan meetings outside the U.S. We were involved in the creation process, further differentiating the CTC as a leader in providing industry education. Before the end of 2008, Meetings Without Borders had already generated two leads, representing 3,565 delegates and \$3,133,635 in business influenced.

Measure	Result
Additional partner revenue enabled by the creation of this international module	\$54,000
Clients touched by CTC through MPI’s Meetings Without Borders program	200



### “Canada First” Tradeshow Program (U.S. MC&IT)

In 2008, we created a new tradeshow exhibit incorporating vibrant brand colours, imagery, sound and other organic elements to leverage at MC&IT tradeshows. The objective was to create a consistent “Canada First” tradeshow exhibit designed to deliver a unified look and feel to represent us and our partners, all geared to showcase Canada as a top MC&IT destination. Canada was successful in setting itself apart from other exhibitors on the tradeshow floor and leading the industry in brand relevancy. The exhibit is flexible in scale and thus affords maximum flexibility in adapting to changing market conditions. The new exhibit was used at four national tradeshows in 2008:

- MPI’s World Education Congress (WEC), Las Vegas – August (largest exhibit on the show floor at 2,000 square feet)
- American Society of Association Executives & The Center for Association Leadership, San Diego – August (largest exhibit on the show floor at 3,500 square feet)
- Incentive Travel & Meetings Expo (The Motivation Show), Chicago – September
- International Association of Exhibitions & Events, Miami – December

Measure	Result
	394 new prospects
	39 new leads
Business opportunities from four shows	829,811 room nights
Combined total of partners who participated in the various tradeshows	39
Partner dollars generated	over \$610,000

## Highlights of 2008 Research

In 2008, we continued to invest in a comprehensive research program as part of our mandate to provide information about tourism as a whole. Our research activities tracked the industry's performance, market trends, profiles and shifts in Canada's key markets. The goal is to provide a "Centre of Excellence" where industry and governments can obtain leading information on the tourism sector.

### Current and Forward-looking Indicators & Products

CTC-Research maintained investments in the two core surveys undertaken by Statistics Canada in 2008: the *International Travel Survey* and *Travel Survey of Residents of Canada*. We continued to partner with Statistics Canada to produce the *National Tourism Indicators*, a portrayal of the evolution of tourism, and the *International Travel Account*, a measure of Canada's tourism deficit. Work was also completed on the *Canadian Tourism Satellite Account 2002* and the *Government Revenue Attributable to Tourism - 2007* study.

Our publications included *Tourism Snapshot*, a monthly update on our key markets, and *Tourism Snapshot Year-In-Review*, an update on tourism performance data in our key markets. The Conference Board of Canada also produced several reports for us in 2008, including: the *Tourism Intelligence Bulletin*, a bimonthly report providing travel trends; the *Short-Term Competitive Outlook*, a quarterly report providing an outlook on Canada's price competitiveness; and the *Canadian Tourism Benchmark Study*, a report analyzing the position the Canadian tourism sector holds against other Canadian economic sectors.

### U.S. Leisure Consumer and Travel Trade Research

To stay competitive with long-haul destinations that are dedicating more resources to tourism marketing, such as the U.S. and Europe, a study of consumers and travel trade in the U.S. was completed in 2008.

The results from the U.S. provided us with valuable market intelligence on long-haul travellers, key target segments for Canada, trip planning and booking, current vacations taken in Canada, and future trips that travellers would like to take in Canada. The information was used to guide tourism strategies and marketing activities in our key markets. Full project summaries are available online ([www.corporate.canada.travel/docs/research\\_and\\_statistics/market\\_knowledge/Americas/USLeisure\\_Consumer\\_Travel\\_Trade\\_eng.pdf](http://www.corporate.canada.travel/docs/research_and_statistics/market_knowledge/Americas/USLeisure_Consumer_Travel_Trade_eng.pdf))



### Global Tourism Watch – Year Two

In 2007, we launched a new monitoring survey in all of our core markets, largely to determine how Canada's new tourism brand was coming to life. The Global Tourism Watch (GTW) served to track awareness of the new brand identity and Canada's competitive position relative to the general vacation experiences sought by travellers in markets. In addition, the GTW allowed us to monitor and better understand annual changes in the perceptions of Canada versus key competitors, as well as consumers' travel behaviours and values, and enabled us to identify barriers to visiting Canada. The GTW produced valuable intelligence for our Balanced Scorecard, as well as our new Return on Investment Model (RIM). In 2008, the GTW was repeated with a section to collect information and better understand the EQ-types in each market.

### Path to Purchase Model

We developed a "Path-to-Purchase Model" to track Canada's tourism brand performance at every stage of consumer purchases. The analysis enables us to compare the brand in all markets, identify the points at which the brand suffers declines in conversion, and focus marketing activities to address the weak links in the chain. Our model examines seven steps: 1) awareness; 2) the "future consideration" list; 3) the "serious consideration" list; 4) creating a movie; 5) planning a detailed itinerary; 6) finalizing trip arrangements; and 7) successfully purchasing a trip. The model essentially determines the stage our target audience is at within the seven steps of the path; this informs marketing opportunities and challenges in each market and where we are gaining and losing customers on the path.

STEP		
1	Aware	Hear about the destination
2	On Priority List	A destination that they think about going to in the future
3	On Seriously Considering List	Seriously considering in the next 2 years
4	Creating a "Vacation Movie"	Starting to gather info - friends, internet, articles, brochures
5	Detailed Itinerary Planning	Planning the details of an itinerary to Canada
6	Finalizing Trip Arrangements	In the process of working out travel arrangements
7	Purchase	Booked a trip to Canada

### Global Creative Testing

In 2008, we began the process of creating and implementing a common brand communications platform to engage the global target market and inspire the public to visit Canada now rather than later. Six 15-second TV spots were developed from content generated by real travellers experiencing Canada. Qualitative and quantitative research was conducted in all of our core markets (except China) to explore the creative broadcast options. Research provided us with a greater understanding of the potential of the creative elements to positively change the perceptions of Canada, create a sense of excitement, authenticity and emotional connection through the messaging and medium, motivate travellers to want to visit Canada soon, and test whether the concept is universal in its applicability.

### Canadian Tourism Competitive Benchmark Study

In collaboration with the Conference Board of Canada, we initiated a study to provide a benchmark analysis on the competitiveness of the Canadian tourism sector. This new study provides a frame of analysis for comparing the performance of the Canadian tourism sector and industries with other Canadian economic sectors and industries; it places the Canadian tourism sector within the larger national context, with 10 performance indicators assessing the performance of each sector and industry. Overall, the study found that the performance of Canada's tourism sector compared favourably with other broad sectors of the economy and out-performed the total economy not only for all indicators in 2007, but also over the period of 2004 to 2007.

# Honours & Recognitions

The *Honours & Recognitions* section showcases a number of significant achievements received by our organization and our staff in 2008.



## Honouring Our Staff



Hon. Diane Ablonczy and Frank Verschuren

### Individual Award of Excellence

Awarded annually, our Award of Excellence is about building on and sharing in our drive for excellence. The 2008 award went to Frank Verschuren, Product Specialist, who has contributed to the CTC's success for 26 years. Frank was recognized for contributing directly to our strategic objectives, playing a key role in advancing the brand, and ensuring we are recognized as a leader in the industry.

### Team Appreciation Award

The CTC-Translation team was honoured with the Team Appreciation Award for 2008. Despite having a constantly heavy workload, the Translation team works quietly in the background to ensure that we are represented professionally in the context of Canada's *Official Languages Act*. Their dedication contributed to our "excellent" designation by the Commissioner of Official Languages in 2008.

## Our Marketing Awards



### Gold Media Innovation Award

The CTC-sponsored "Step into Canada" exhibit at London's Canary Wharf took top honours from the judges of *Marketing* magazine's annual Media Innovation Awards. "Canada Dome" took first place in the experiential category, defined as "any activity or special event aimed at generating word-of-mouth, product adoption and increased sales that do not rely on a traditional medium." The award was presented on November 4 at the Liberty Grand Entertainment Complex in Toronto.

### Best International Tourism Organization

We were named the "Best International Tourism Organization" at the Australian Society of Travel Writers' (ASTW) Travel Journalism Awards for Excellence 2008. The ASTW is an organization of professionals engaged in writing, broadcasting, photography, television and other electronic media production, specifically public relations practitioners engaged in promotional activities related to the travel industry.

We received the "2008 Annual Tourist Destination Promotion Award" from *China Travel Agent*, a Chinese trade magazine.

In addition, as a tourism destination, Canada received the "Top MICE Designation" by the World Traveller Media Group and was named the "Best Tourism Destination in the Americas" by the organizers of World Travel Fair, both out of Shanghai.

### Silver Adrian Award for U.S. Advertising Campaign: "Intrigue" Campaign

Our "Intrigue" campaign in the U.S. earned the CTC a 2008 Silver Adrian Award from the Hospitality Sales & Marketing Association International (HSMIA) for Advertising, Public Relations and Web Marketing.

### Silver Marketing Magazine Media Innovation Award for “Whispering Windows”

We received a 2008 Silver Media Innovation Award from *Marketing* magazine for our innovative “Whispering Windows” campaign in Manhattan.

### Best Tourism Publicity Awards

CTC-Korea won the Best Tourism Publicity Award at the 21<sup>st</sup> Korea World Travel Fair (KOTFA) held in downtown Seoul from June 5 to 8, where 416 organizations from over 50 countries worldwide provided 481 booths. With its worldwide recognition, KOTFA attracted over 10,000 industry professionals and 65,000 consumers. In addition, CTC-Korea won the “Best Tourism Publicity Award” at the 6th Gyeonggi International Travel Mart (GITM) held in Goyang City, Gyeonggi Province from November 13 to 16.

## Pure Canada Magazine Awards

### Pure Canada

*Pure Canada*, our unique travel-lifestyle magazine, is an invitation to the reader to discover Canada and experience it in a whole new way. In 2008, *Pure Canada* received several high-profile awards, including the Silver Pearl Award for Best Design and the Bronze Pearl Award for Best Editorial from the Custom Publishing Council in New York. It was also awarded several Publication Management Magnum Opus Awards from McMurry Inc. in conjunction with the Missouri School of Journalism, including a Silver Award for Best Use of Colour Photography (4+ Colours) and a Silver Award for Best Use as an Integrated Marketing Tool.

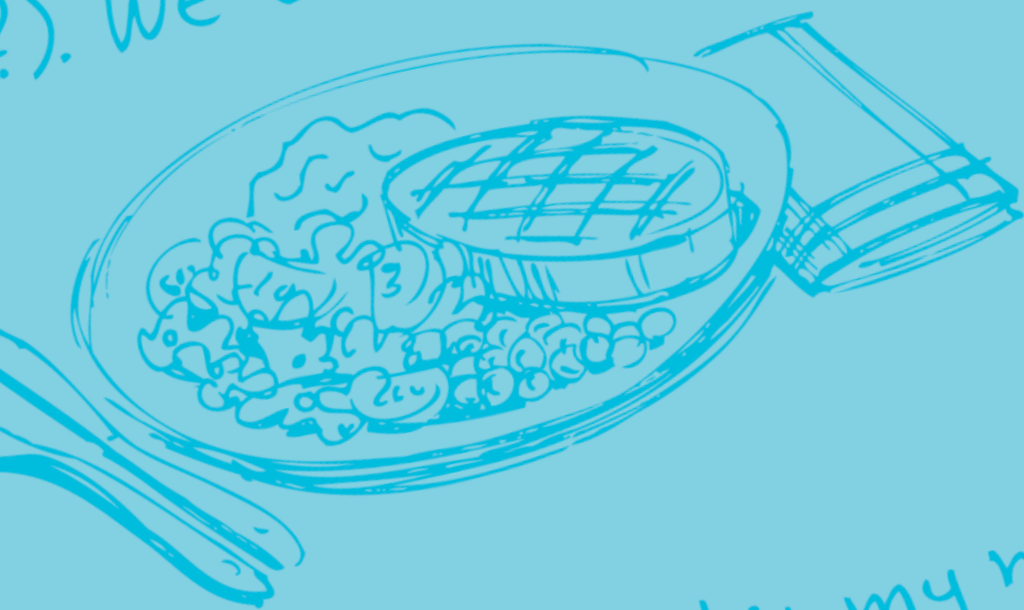
*Pure Canada* also received a 2008 Apex Award for Publication Excellence in the category of custom-published magazines and journals, two Communicator Awards of Excellence for Best Consumer Magazine and Best Overall Design, and an Applied Arts Award in the category of Best Photo/Illustration for “Panache” (“Québec City celebrates big”).





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# Management Discussion & Analysis

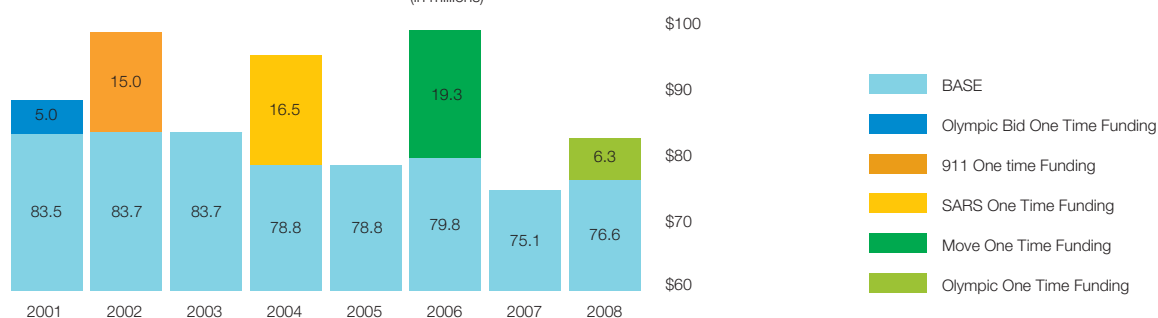
The *Management Discussion & Analysis* (MD&A) section provides an assessment of results of operations and changes in financial statements over the last two completed fiscal years, as well as an assessment of the external business environment that affected operations in 2008. In addition, the MD&A section discusses the evolution of our Corporate Plan, identifies and analyzes performance measurement results over the past year, and provides an update on risk management and mitigation.

## Analysis of Financial Results

### a) Government funding and revenues

As a federal Crown corporation, we receive an annual appropriation from our shareholder, the Government of Canada. Our base appropriations have declined significantly since 2001, the first year of our existence as a Crown corporation. In 2008, our annual base appropriation (excluding one-time funding) was \$76.6 million, with additional cuts forthcoming as part of a recently announced across-the-board efficiency percentage reduction to the operating budgets of all appropriated organizations, including Crown corporations: \$536,000 in 2009, \$230,000 in 2010, \$421,000 in 2011 and \$649,000 in 2012.

Canadian Tourism Commission – Funding Levels 2001-2008  
(in millions)



As the CTC has a different fiscal year-end than the Government of Canada, appropriations used by the CTC in a fiscal year are drawn from two fiscal periods of the government. For the year ended December 31, 2008, the CTC drew down appropriations approved from government fiscal periods 2007/08 and 2008/09 (note 3). Under generally accepted accounting principles, appropriations are recognized in our financial statements as expenses are incurred. For the year ended December 31, 2008, this amounted to \$82.7 million. Regarding capital assets, appropriations are recognized on the same basis of amortization as the underlying assets. This amount was \$1.9 million for the 2008 fiscal period. Thus, the total amount of appropriations recognized for the year on our financial statements was \$84.6 million.

As the CTC is an organization that is committed to partnering with the industry, many programs are funded by both the CTC and industry partners. In some cases, the programs are led and managed by the partners and in these situations funds would be paid to the partner for the CTC's share of the program costs. In other instances, the CTC manages the programs and the partners pay their share of the costs to the CTC; these are recorded as revenue and reported as partnership contributions in our financial statements. In 2008, the CTC recognized \$12.4 million of these types of partnership contributions, up from \$10.2 million in 2007 due to increased partner activity.

**b) Expenditures**

The CTC incurred total Operating expenses (excluding Amortization) of \$94.8 million (Marketing and Sales \$76.2 million, Corporate Services \$17.2 million, Strategy and Planning \$1.4 million), up from \$84.6 million in 2007 (Marketing and Sales \$69.8 million, Corporate Services \$13.5 million, Strategy and Planning \$1.3 million). Contributing to the year-over-year increase is \$5.4 million spent to execute the 2010 Olympic strategy. Core program spending increased by \$4.2 million as we continue to focus the maximum spends on marketing and sales efforts. Salary and benefit costs for staff increased by \$800,000 over the prior year due to anniversary increases to compensation and higher costs of benefits, while rents increased \$200,000 over the prior year. Management continues to focus efforts on process improvements and cost control to mitigate the pressures from inflation on the reduced base funding.

**c) Pension**

The CTC was required, by legislation, to exit the pension and benefit plans of the Government of Canada with respect to its Canadian employees as at January 1, 2004. At that time, CTC management had raised concerns with Treasury Board that this would create undue financial risk and burden to the CTC. CTC employees moving from the federal government to the new CTC Crown corporation were promised that they would retain the same terms and conditions of employment that they had as public servants. The new pension plans established on January 2, 2004 replicate the plans and benefits previously provided by the Government of Canada: a defined benefit registered pension plan as well as a supplemental arrangement, which provides pension benefits in excess of statutory limits. At that time, the CTC became the only non-revenue-generating, appropriations-based Crown corporation with its own defined benefit pension plan.

The CTC's current pension plan for Canadian-based employees is registered under the Office of the Superintendent of Financial Institutions and is administered under the Pension Benefits Standards Act. Annual reporting requirements under this Act are onerous and include (but are not limited to) filing of actuarial reports prepared in accordance with the standards of practice adopted by the Canadian Institute of Actuaries. The first actuarial valuation was prepared as at May 1, 2005 and reported an unfunded liability of \$819,100 on a Going Concern basis, a solvency deficiency of \$3,570,600 and a solvency ratio of 78 percent. Subsequent valuations have been performed with the following results:

Effective date of valuation	Going Concern basis	Solvency basis	Solvency ratio	Wind-Up basis
May 1, 2005	\$819,100 unfunded liability	\$3,570,600 deficiency	78.0%	\$3,570,600 deficiency
December 31, 2005	\$434,900 unfunded liability	\$942,900 deficiency	77.0%	\$4,444,100 deficiency
December 31, 2006	\$428,300 funding excess	\$0	86.9%	\$2,594,400 deficiency
December 31, 2007	\$978,400 funding excess	\$798,900 deficiency	87.2%	\$2,687,100 deficiency

The CTC has a requirement to make special payments over the five years following to fund the Going Concern unfunded liability and solvency ratio deficiency. Special payments are as follows:

- \$2.3 million in special payments were been made between May 1, 2005 and December 31, 2007.
- Additional payments of \$989,800 annually in 2008 and 2009, \$544,300 in 2010, \$194,200 in 2011 and \$178,600 in 2012 are required.

In light of recent market events and the drastic drop in investment asset values globally, it is likely that the results of the next actuarial valuation (as at December 31, 2008) will worsen significantly.

The CTC does not receive any additional funding for these special payments and must fund this out of its base appropriations, creating a considerable strain on funds available to dedicate to marketing and sales efforts.

CTC management has taken steps to mitigate the financial risk of the defined benefit pension plan. As a result of the move of the CTC's headquarters from Ottawa to Vancouver, CTC management took the opportunity to establish a defined contribution pension plan for excluded employees hired on or after August 1, 2005. Furthermore, on January 30, 2007, the CTC's Canadian unionized employees agreed to participate in the defined contribution plan effective March 8, 2007. This decision impacted unionized employees hired on or after August 1, 2005. Despite these efforts, a number of employees remain in the defined benefit plan (grandfathered employees, deferred pensioners, pensioners and survivors of the plan) and the obligation will continue for the rest of their lives.

In addition to the pension plans for Canadian-based employees, the CTC has several pension arrangements for employees abroad, each of which has a different funding requirement.

### **Analysis**

In 2001, the first year of the CTC's existence as a Crown corporation, Canada's national tourism marketing organization was in a strong position compared to its competitors. However, as the CTC's base appropriations have decreased over the past eight years, competitors from both mature and emerging tourism destinations have recognized the value of strong international destination marketing and have increased their investments. In addition to core budgetary reductions, the CTC has had to absorb other increasing cost pressures such as inflation, compensation, the CTC's pension, compliance, and other cost centres. The result of these pressures has essentially had the same effect as further budgetary reductions. As a result, the CTC's position has been weakened and increased funding to its base appropriations is urgently required if Canada is to revitalize mature markets, capitalize on emerging markets, and deliver on new product opportunities.



Over the years, the CTC has responsibly attempted to minimize the impact of reduced resources by focusing on markets with the highest return on investment and by insulating core marketing programs from budget cuts. In 2003, the CTC implemented a major staff reduction and moved its global offices out of Canadian Embassies/Consulates/High Commissions in order to save \$1 million in rent/lease charges. In addition, the CTC reduced its number of targeted geographic markets from 17 to 10 in 2005 and from 10 to 9 in 2007. Most recently, through the implementation of its Global Platform initiative, the CTC is moving away from market-specific creative programming and is reducing costs by delivering consistent creative programming for use in all core markets.

Overall, past decisions to reduce the CTC's budget allocation without accounting for ever-increasing cost pressures appear to disproportionately impact the CTC without consideration for its relatively small size and specialized mandate. These decisions will continue to have a profound impact not only on the CTC's capacity to market Canada as an international tourism destination, but also on Canada's tourism industry as a whole. These significant costs could, as an example for illustrative purposes, otherwise sustain a modest marketing program in an emerging market, thus creating new business opportunities and economic growth for Canada. In order for the CTC to continue its past success and best achieve its mandate of growing tourism export revenues for Canada, the full implications of continued budgetary reductions to its appropriations based core and ongoing funding and increasing cost pressures must be assessed and reviewed.

The CTC is also currently managing two special projects with one-time funding: the five-year program (2008-2012) designed to leverage the Vancouver 2010 Olympic and Paralympic Winter Games opportunity (\$26 million); and a two-year program (2009-2010) announced in Budget 2009 that is part of a government-wide stimulus effort (\$40 million). The CTC is grateful that the shareholder has confidence that the Commission will deliver meaningful outcomes and socio-economic impacts as a result of these projects identified as special one-time funding. The history of the last ten years of the CTC, with dramatic ups and downs of annual funding because of special projects, combined with the slow and ongoing decline of its core base funding, has created a serious challenge for the CTC to sustain delivery against its mandate in the long-term.

## Three-Year Overview

### Balance sheet

As at December 31  
(in thousands)

	2008	2007	2006
<b>Assets</b>			
Cash	<b>\$ 23,168</b>	\$ 17,369	\$ 19,746
Accounts Receivable			
Government of Canada	<b>532</b>	736	2,424
Partnership contributions	<b>1,575</b>	2,280	1,807
Other	<b>522</b>	403	242
Prepaid expenses and other assets	<b>2,665</b>	2,507	3,105
Capital assets	<b>4,610</b>	4,348	5,079
<b>Liabilities</b>			
Accounts payable and accrued liabilities:			
Trade	<b>\$ 16,274</b>	\$ 10,535	\$ 15,841
Employee compensation	<b>2,248</b>	1,775	1,824
Government of Canada	<b>1,000</b>	83	757
Deferred parliamentary appropriations	<b>5,855</b>	7,859	5,734
Deferred revenue	<b>1,205</b>	1,156	1,280
Accrued benefit liability - current portion	<b>354</b>	0	0
Deferred capital funding	<b>4,678</b>	4,416	5,148
Accrued benefit liability - long term portion	<b>2,134</b>	3,338	3,245
Accumulated deficit	<b>(676)</b>	(1,519)	(1,426)

### Statement of operations

For years ended December 31  
(in thousands)

	2008	2007	2006
<b>Revenue</b>			
Partnership contributions	<b>\$ 12,366</b>	\$ 10,196	\$ 6,757
Other	<b>570</b>	765	636
	<b>12,936</b>	10,961	7,393
<b>Expense</b>			
Marketing and sales	<b>76,190</b>	69,844	75,472
Corporate services	<b>17,197</b>	13,487	14,579
Strategy and planning	<b>1,436</b>	1,293	446
Amortization of capital assets	<b>1,895</b>	1,571	1,437
	<b>96,718</b>	86,195	91,934
<b>Net cost of operations</b>	<b>\$(83,782)</b>	\$(75,234)	\$(84,541)

Note: Certain comparative figures have been reclassified to conform with the presentation adopted in the current year

## Leveraging the 2010 Winter Games

In order to leverage the tourism impact of the 2010 Winter Olympic and Paralympic Games being held in British Columbia, we received \$26 million of one-time funding from the Government of Canada to cover a five-year period from 2008 to 2012. We also developed a detailed 2008-2012 Olympic Games Tourism Strategy to leverage the extensive media exposure the host destinations and Canada will receive in the build-up to and during the Games period, and also to take advantage of the heightened interest in Canada to inspire consumers to visit post-2010.

The funds have been allocated into three main streams of program: International Business and Media; Tourism Partners; and Post-2010 Games. In 2008, \$5.4 million was expended on initiatives in support of the first two streams. Of this amount, \$495,000 was spent on staff compensation, travel and overhead. The balance of the funds was fully committed to program expenditures.

Expenditures against the International Business and Media program stream were largely in support of media exposure. Along with our Tourism Consortium Partners – Tourism British Columbia, Tourism Vancouver and Tourism Whistler – relationships were established with the international rights holding broadcasters in all of our key markets. With an expected viewing audience of 3.5 billion people from around the world, one of the pillars of our strategy is to influence coverage of Canada by the broadcasters during the Games. Hence, significant investments were made in 2008 to develop B-roll and video images and stories. In addition, media were invited to Vancouver and Whistler for the two-year countdown celebrations. Expenditures on these initiatives totalled \$3 million. Activities were also planned in Beijing to coincide with the Beijing 2008 Summer Olympic Games resulting in media and travel trade engagement at the B.C.-Canada Pavilion in Beijing at a cost of \$440,000. Also included in this stream are expenditures committed to performance measurement, a key objective for the CTC. Since the underlying strategy involves increasing brand awareness over the five-year period, a consultant was engaged to value the Canada brand for 2007. This measure will be recalculated annually over the next four years to determine the success of the brand awareness initiatives being carried out under the Olympic strategy.

Total expenditures for the Tourism Partners stream were \$983,000. A key partner for us has been VANOC and it is our mandate to assist them with producing this as Canada's Games. Our "Connecting with Canadians" partnership resulted in current year expenditures of \$337,000. Other significant programs, including a number of activities in our global markets in support of the Games, totalled \$443,000. These included bringing the Olympic Mascots to events in China, Olympic branding at major trade shows such as World Travel Market in London, as well as an Olympic-themed Christmas tree lighting event at Bryant Park in New York City.

Programs in these two streams will continue in 2009 and the budget has been set at \$7.0 million.

We have robust governance practices in place to ensure these monies are spent in accordance with the Board-approved Olympic strategy and that measurement occurs. An Olympic Governance Committee is in place, chaired by the CEO and attended by senior managers and other team members who are working on Olympic programs. Regular updates of program and expenditures against budget are provided both to the Audit Committee and to the Board of Directors. Lastly, the Audit Committee has asked for an internal audit of Olympic governance practices and this report will be issued early in 2009, allowing management to strengthen its reporting practices if required.

## Corporate Plan Discussion

As part of our 2009-2013 planning process that took place in 2008, we made several strategic decisions that will affect our corporate objectives and priorities in 2009 and beyond. By concentrating our efforts on the following four objectives, we will be in the best position possible to achieve our mandate for the benefit of Canada's tourism industry:

- **Convert high-yield customers:** Deepen the relationship with high-yield consumers to influence their travel decisions and establish them as travel purchasers.
- **Focus on markets of highest return on investment:** Concentrate on those global markets or consumer market segments with the highest potential for return on investment.
- **Lead industry in brand relevancy and consistency:** Harness Canada's collective voice and work closely with industry to communicate the advantage of a strong, consistent global brand for Canada.
- **Respond to changing market dynamics:** Be nimble and focus on both short-term and long-term potentials for maximizing return on investment as markets mature and evolve.

In addition, the following six key priorities for action form the framework for how we will achieve our four objectives in the 2009-2013 period:

- **Ensure consumer relevancy:** Develop and maintain relevant communication with targeted potential travellers and ensure that the marketing messaging they receive is relevant and addresses their interests and expectations as consumers.
- **Increase engagement with small and medium-sized enterprise (SME) community:** Engage the SME community in order to strengthen and leverage the backbone of Canada's tourism economy.
- **Differentiate Canada:** Position Canada's tourism brand as a leading storytelling brand in the world where travellers create extra-ordinary stories all their own.
- **Leverage exposure of the Vancouver 2010 Olympic and Paralympic Winter Games for Canada:** Highlight Canada to the world by creating a tourism personality for Canada before the Games, focus on media relations and Web communications during the Games, and work with partners to harvest the "afterglow" following the Games.
- **Foster organizational excellence:** Focus on becoming a "strategy-focused organization" with the right tools, people and resources in place to deliver.
- **Strengthen engagement with the shareholder:** Engage the shareholder in order to enhance the perception of the CTC as a value-adding corporation that provides crucial insight and coordinates activities to benefit Canada's tourism industry.

## Performance Measurement & Evaluation

Performance measurement on an ongoing basis enables us to assess our progress on fulfilling our strategy and mission, and provides us with the information needed to guide our decision-making processes.

### Balanced Scorecard

In 2008, we adopted the Balanced Scorecard (BSC) as our performance measurement framework. The BSC manages the CTC's strategy by linking objectives, performance measures and initiatives to the strategy at all levels. By integrating financial and non-financial measures, it provides a holistic view of the organization's overall performance. Furthermore, the BSC – by acting as a strategy management tool, as well as a measurement tool – assists in strategy execution: it helps management remain focused on the strategy.

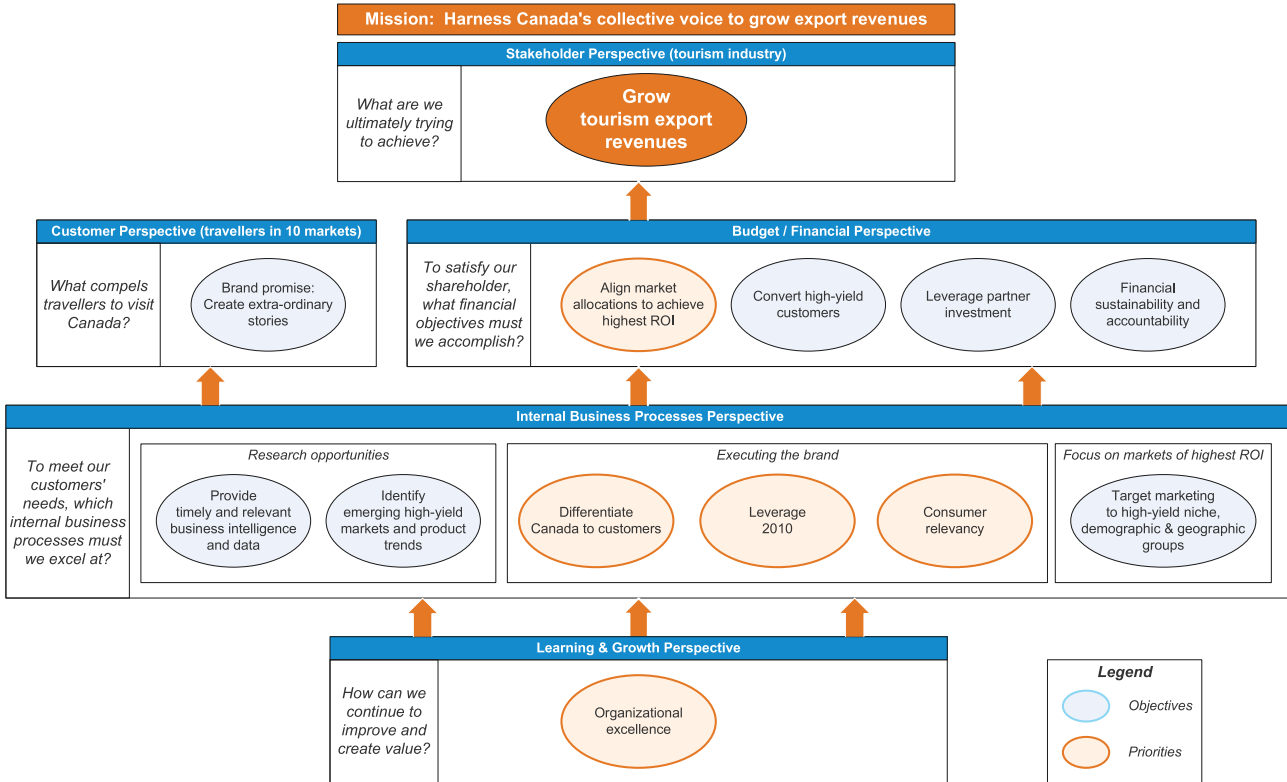
The scorecard identifies objectives and priorities that are critical to moving us forward in implementing our strategy. Corresponding measures and initiatives have been identified; these work together according to five different perspectives – Shareholder and Stakeholder, Customer, Budget/Financial, Internal Business Processes, and Learning and Growth – to achieve the CTC's goal of increasing tourism export revenues.

We measure organizational performance in relation to the external environment, but we also keep a finger on the pulse of the tourism economy. Therefore, the Scorecard contains a mixture of CTC performance measures and tourism industry indicators. The three most critical measures to achieving our goal of growing tourism export revenues for Canada are as follows:

- Aided awareness;
- Conversion (return on investment); and
- Partner contributions.



## Strategy Map



## 2008 Enterprise Balanced Scorecard

Perspective	Objective	Measure or Indicator Name	Unit of Measure	2007 result	2008	
					target	result
1.0 Stakeholder	1.1 Grow tourism export revenues	1.1 a Tourism export revenues	\$	16.5 billion		15.7 billion
		1.1 b Tourism GDP	%	2.0		2.0
		1.1 c International tourist arrivals (a)	#	17.8 million		16.9 million
		1.1 d International tourist arrivals (b)	ranking	14		TBA
		1.1 e International tourist receipts	ranking	13		TBA
		1.1 f Tourism employment	#	650,400		660,000
2.0 Customer	2.1 Create extraordinary stories	2.1 a Aided destination awareness	%	33		35
		2.1 b Unaided destination awareness	%	20		20
	Enhance brand impact	2.1 c Interest in / likelihood of visiting Canada	%	31	Benchmark	33
3.0 Budget / Financial	3.1 Align market allocations to achieve highest ROI	3.1 a Development of tool to guide decision making on market allocations	Yes / No	Yes	Yes	Yes
	3.2 Convert high yield customers	3.2 a Conversion (formal) <sup>1</sup>	Ratio	9:1	N/A	6:1
	3.3 Leverage partner investment	3.3 a Partner contribution	Ratio	1.2:1	1:1	1.2:1
		3.4 a Variance to forecast <sup>2</sup>	%	2.0	1.0	0.8
	3.4 Financial sustainability and accountability	3.4 b Overhead costs <sup>3</sup>	%	18.2	18.0	17.4
		3.4 c Unqualified opinion on year-end audit	Yes / No	Yes	Yes	Yes

Blue text = CTC performance measures

Black text = industry performance indicators

Shaded area = industry performance result

Perspective	Objective		Measure or Indicator Name	Unit of Measure	2007 result	2008	
						target	result
Theme: Research opportunities							
4.1	Provide timely and relevant business intelligence and data	4.1 a	Relevance of business intelligence	%	N/A	Benchmark	TBD*
		4.1 b	Timeliness of research publications	%	N/A	Benchmark	TBD*
4.2	Identify emerging high-yield markets and product trends	4.2 a	Development of strategy to identify emerging high-yield markets	Yes / No	Yes	Yes	Yes
		4.2 b	Identification of product experiences linked to high-yield target markets	#	N/A	35	185
Theme: Executing the brand							
4.0 Internal Business Processes	4.3 Differentiate Canada						
	Tourism brand positioning	4.3 a	Top country brand	Ranking	6		2
		4.3 b	Canada's brand value	Ranking	3.25		4
		4.3 c	Aided brand awareness	%	44	Benchmark	46
		4.3 d	Unaided brand awareness	%	14	Benchmark	14
	Align partners behind brand	4.3 e	Partner brand adoption <sup>4</sup>	#	33	N/A	N/A
	Leverage media exposure of 2010 Olympic Games	4.3 f	Media impressions on Olympic Games and Canada tourism	#	N/A	2 million	84.1 million
4.4 Consumer relevancy	4.4 a	Consumer contact information provided to partners	#	99,264	137,024	136,995	
Theme: Focus on markets of highest ROI							
4.5	Target marketing to high-yield niche, demographic & geographic groups	4.5 a	Market plans articulate investment in high-yield markets which have been identified by Research	Yes / No	Yes	Yes	Yes
		4.5 b	Average per person spend per night by CTC markets	\$	120.9		119.7
		4.5 c	Tourist receipts from CTC markets	\$	10.7 billion		10.2 billion
		4.5 d	Campaign ROI <sup>5</sup>	Ratio	74:1	Benchmark	45:1

\* Results forthcoming.

Blue text = CTC performance measures

Black text = industry performance indicators

Shaded area = industry performance result

Perspective	Objective	Measure or Indicator Name	Unit of Measure	2007 result	2008	
					target	result
5.0 Learning and Growth	5.1 Organizational Excellence					
	Integrate organizational values into corporate culture	5.1 a	Extent that organizational values are embedded in culture	%	60	Benchmark
		5.1 b	Employee engagement	%	63	Benchmark
		5.1 c	Retention rate of employees in succession program <sup>6</sup>	%	N/A	Benchmark
	Promote learning and growth	5.1 d	PMPs completed (executed) <sup>7</sup>	%	59	Benchmark
		5.1 e	Access to appropriate training <sup>8</sup>	%	55	Benchmark
		5.1 f	Training budget expended <sup>9</sup>	%	50.5	Benchmark
	Manage corporate reputation	5.1 g	Compliance with Official Languages Act	Grade	Excellent	Good
		5.1 h	External awards or recognition received	#	15	Benchmark
		5.1 i	Partner satisfaction <sup>4</sup>	%	75	N/A
		5.1 j	Positive press <sup>10</sup>	N/A	N/A	N/A

1. Conversion (formal) will be renamed to Advertising Critical Campaign ROI in future years.
2. This measure replaces "Budget variance". Variance to forecast percentage is calculated as total expenditures subtracted from expenditures forecast at the end of quarter 2, divided by the total expenditure forecast at the end of quarter 2.
3. Overhead cost percentage is calculated as total overhead costs divided by the total of expended funds. Total expended funds are defined as total annual appropriations plus total annual partnership revenues received.
4. Partner brand adoption and partner satisfaction are measured through a bi-annual study and will next be measured in 2009.
5. Campaign ROI will be renamed to Positive Influence Campaign ROI in future years.
6. This measure replaces "Employee retention rate".
7. 2008 result is preliminary.
8. This measure replaces "Participation rate at training sessions"; this is an employee perception measure from the annual staff survey.
9. This measure replaces "Proportion of budget used for training". Training budget expended is calculated as total training expenditures (excluding travel) divided by total budgeted training costs.
10. This measure was deemed inappropriate for inclusion in the BSC and has been removed.

## Notes

Blue text = CTC performance measures

Black text = industry performance indicators

Shaded area = industry performance result

Statistics Canada 2007 and 2008 results are preliminary and subject to change.

UNWTO 2008 results will be available in April 2009; 2007 final results will be available in March 2009.

2007 Global Tourism Watch results excludes China as results may have been compromised by selection of respondents.

2008 Global Tourism Watch results may differ from prior publications due to a reporting error.

### Advertising Tracking and Conversion Studies

As part of our performance management framework, we track and evaluate the success of our marketing efforts through independent third-party advertising tracking and conversion studies. In 2008, we conducted studies of our marketing campaigns in the U.S., the U.K., and Japan.

Three measures were used to calculate “conversion” as part of the conversion studies:

**1. Advertising Critical:** This measure counts the number of travellers who were not planning a trip to Canada, but booked or took a trip after being exposed to the campaign.

**2. Positive Influence:** This measure includes the travellers counted under the *Advertising Critical* measure, as well as travellers who were considering travelling to Canada but had not yet booked a trip prior to being exposed to the campaign, and were positively influenced to visit or book a trip to Canada upon seeing the advertisement.

**3. Market Potential:** This measure includes the travellers counted under the *Positive Influence* measure, as well as potential travellers exposed to the campaign who had not yet made a travel decision but were positively influenced and so are very likely to travel or book a trip to Canada in the next two years.

#### U.K. Spring Advertising Campaign

# of people targeted	10,290,000
# of people reached	4,528,000

The U.K.’s spring advertising campaign centred on a variety of media including newspaper inserts, transit station posters and online advertisements, and featured the Canary Wharf, an experiential site. The campaign’s objectives were to increase exposure to Canadian content, pique curiosity about Canada, and drive understanding of the Canada experience.

	Advertising Critical	Positive Influence	Market Potential
# of people converted	8,600	74,000	160,520
% of people converted	0.54%	4.83%	10.73%
Projected tourism revenues	\$11.7 million	\$100.9 million	\$218.9 million
Return on investment ratio	8:1	73:1	159:1

#### U.S. Spring Advertising Campaign

# of people targeted	35,045,645
# of people reached	11,915,519

The 2008 U.S. spring advertising campaign focused on the four primary markets of Los Angeles, San Francisco, New York and Boston. The campaign aimed to increase consumer awareness and to generate Canadian vacation trips.

	Advertising Critical	Positive Influence	Market Potential
# of people converted	64,344	408,702	731,613
% of people converted	0.54%	3.43%	6.14%
Projected tourism revenues	\$30.9 million	\$196.6 million	\$351.9 million
Return on investment ratio	8:1	48:1	86:1



### Japan Go Canada Summer Advertising Campaign

# of people targeted	10,100,000
# of people reached	4,242,000

Our summer marketing efforts in Japan aimed to inspire, engage and motivate the Japanese international travellers through a diversity of new and experiential tourism products to travel to Canada.

	Advertising Critical	Positive Influence	Market Potential
# of people converted	4,117	19,594	27,197
% of people converted	0.10%	0.46%	0.64%
Projected tourism revenues	\$5.3 million	\$25.4 million	\$35.3 million
Return on investment ratio	3:1	15:1	21:1

### Enterprise Risk Assessment

As part of our strategic management process, we conduct an annual enterprise risk assessment (ERA) and use the results in the development of our five-year strategic plan and risk-mitigation strategy. The Audit Committee oversees the effective implementation of the strategy and reviews the progress of risk mitigation on a quarterly basis.

While an external risk assessment is conducted every two years, it is updated internally in the median years. In 2008, we engaged the services of PricewaterhouseCoopers Advisory Services (PWC) to carry out the ERA by:

- Conducting 15 interviews with senior executives (including the CEO, all VPs and select Executive Directors);
- Completing three interviews with individual members of the Board of Directors;
- Analyzing interview results to identify key areas of risk;
- Reviewing the key risks with the Project Sponsor; and
- Conducting a four-hour workshop with senior CTC management to validate and assess identified risks as well as the effectiveness of risk mitigation strategies.

The 2008 process resulted in an analysis of risks that is more specific, better articulated and has stronger management mitigation plans in place than in previous risk assessment exercises. In some cases, increased specificity and accuracy resulted in several new risks being identified and the dismissal of several risks that had been identified in the previous risk assessment<sup>1</sup>.

Risk management is integrated throughout the organization. For example, risks that are incorporated into the annual corporate planning cycle and inform areas for scrutiny in the internal audit process. Residual risks that considered high or high/medium are incorporated into a management risk action plan whereby risks are assigned to an executive owner who is accountable for reporting back on efforts to mitigate this risk on a quarterly basis.

<sup>1</sup> Previously-identified risks that have been removed from the 2008 ERA are: Reliance on Government Funding; Competition; External Shock; Training Development; Protection of Brand Assets; and Privacy.

The top residual risks identified through the 2008 ERA, which was conducted in Q3 2008, are as follows:

Residual Risks	2008 Assessment	Change
Government Funding: Limited government funding for program activities	High	New
Fixed Costs: Financial burden of incurring significant compliance and other costs and inherited obligations from being a Crown corporation	High	New
Pension: Defined benefit pension plan and deficit position	High	New
Leadership Development: Collaboration and team building	High	New
Organizational Complexity: Operations in 9 markets	Medium	New
Management Development: Shortage of management acumen and leadership skills	Medium	New
Retention (Key Staff): Inability to retain key staff	Medium	↓ from 2007
Relevancy Attribution/Performance Measurement: Inability to fully measure and attribute performance and demonstrate influence on tourism in Canada	Medium	Unchanged
Reputation: Risk arising from an event/ outcome that affects the CTC's reputation	Medium	New
Recruitment: The right people for the right jobs	Medium	↓ from 2007
Federal Identity Program (FIP): Compliance with the FIP	Medium	New
Tourism Industry (includes external shock): Uncertainty in the tourism industry	Medium	↓ from 2007
Retention (Staff): Inability to retain staff	Low	New
Board Governance: Effectiveness of the Board	Low	New
Resourcing: Insufficient human resources to deliver against strategy	Low	↓ from 2007
Shareholder Relations: Relationship with the shareholder	Low	New

### Analysis of Top Five Residual Risks

#### Government Funding (risk-level: high)

- Analysis of Government Funding risk can be found in the Analysis of Financial Results section.

#### Fixed Costs (risk-level: high)

##### • International lease costs

The CTC maintains 12 offices around the world. The in-market offices are strategically selected as being identified to yield the highest return on investment. The lease costs for these offices create budgetary pressures as they are subject to annual increases as well as foreign exchange fluctuations. Annual rate increases range from 3 to 5 percent; in addition, further increases ranging from 10 to 50 percent are possible when leases are renewed. For example, in the U.K., the 2008 lease renewal increased the cost by 51 percent.

Foreign exchange fluctuations also impact operating expenses of the CTC by adding or reducing costs. For example, lease costs in Japan increased by 30 percent in the last quarter of 2008 due solely to the strengthening of the Japanese yen.

##### • Ottawa lease costs

Prior to the Government of Canada's decision to move the CTC to Vancouver in 2006, the CTC's headquarters were located on floors 5 and 6 at 55 Metcalfe Street, Ottawa, Ontario. The CTC's lease agreement for this space, totalling 31,765 square feet, is with Manufacturers Life Insurance Company and is from January 18, 2002 to April 30, 2012. There is no lease extension allowed for in the lease agreement.

After it was announced that the CTC headquarters were to be moved to Vancouver, the CTC determined that it did not make financial sense to terminate its lease in Ottawa; therefore, the CTC worked with Public Works and Government Services Canada to arrange for the space to be sublet. The CTC signed a sublease with Health Canada for the term from January 1, 2006 to April 29, 2012.

Unfortunately, the revenue from the sublease does not fully offset the CTC's lease payments to Manufacturers Life Insurance Company; therefore, the CTC incurs a loss of approximately \$220,000 per year. The cumulative loss from this lease to the end of the term is estimated to be \$1.4 million and was not covered by the one-time funding of \$19.4 million for the move to Vancouver<sup>2</sup>. In addition, the CTC has had to lease a new, smaller office in Ottawa for its Government Relations unit.

**Pension (risk-level: high)**

- Analysis of Pension risk can be found in the Analysis of Financial Results section.

**Leadership Development (risk-level: high)**

- The CTC is currently working to address this risk by promoting good leadership through the implementation of a leadership development program.

**Organizational Complexity (risk-level: medium):**

- **Internal audit**

The 2008 cost of the CTC's Internal Audit process was approximately \$100,000 higher than previous due to additional costs incurred from the transition of the Internal Auditor. Furthermore, the new Internal Auditor will approximately cost an additional \$50,000 annually. These increases in costs can be attributed to the CTC's move to Vancouver; in Ottawa, there is naturally a more competitive environment of small firms in the business of internal auditing for Crown corporations and agencies. The less competitive environment for internal audit services in Vancouver has resulted in the CTC having to engage more expensive accounting firms.

- **Foreign currency exchange rate**

As a significant portion of the CTC's revenue and expenses are earned or incurred and subsequently received or paid in currencies other than Canadian dollars, the CTC is exposed to foreign exchange risk. Foreign exchange risk arises due to fluctuations in foreign currency rates, which could affect the CTC's financial results. Due to government policy, the CTC cannot hedge against foreign currency fluctuations and accepts the operational and financial risks associated with fluctuations in foreign currency rates.

The Canadian dollar began the year above parity against the U.S. dollar, reached a high of US\$1.0296 in February 2008 before descending to its low of US\$0.7682 in October 2008. At December 31, 2008, the strengthening of foreign currencies by 10 percent against the Canadian dollar resulted in a decline in purchasing power by approximately \$415,000. At the same time, the net result of operations and comprehensive income remained unchanged and deferred parliamentary appropriations on the balance sheet decreased by \$415,000.

<sup>2</sup> The original announcement of the CTC's move to Vancouver included one-time funding of \$25 million for the move (approved by TBS in September 2005), with the provision that the CTC could spend whatever funds were not spent on move costs as a one-time bump to programming. The CTC identified \$5.6 million for program purposes to be spent in 2006 per program cash flow requirements for the launch of Canada's revitalized tourism brand, "Canada. Keep exploring." However, these dollars were subsequently clawed back by government in spring 2006, resulting in the final \$19.4 million one-time funding amount for the move.





## Management Responsibility Statement

The management of the Commission is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements. These statements, approved by the Board of Directors, were prepared in accordance with Canadian Generally Accepted Accounting Principles appropriate in the circumstances. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management maintains internal accounting control systems designed to provide reasonable assurance that relevant and reliable financial information is produced and that transactions comply with the relevant authorities.

Management also maintains financial and management control systems and practices designed to ensure the transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, and by-laws of the Commission. These systems and practices are also designed to ensure that assets are safeguarded and controlled, and that the operations of the Commission are carried out effectively. In addition, the Audit Committee, appointed by the Board of Directors, oversees the internal audit activities of the Commission and performs other such functions as are assigned to it.

The Commission's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and for issuing her report thereon.



Michele McKenzie  
President and Chief Executive Officer

Lena Bullock  
Chief Financial Officer

February 20, 2009



## Auditor's Report

To the Minister of Industry

I have audited the balance sheet of the Canadian Tourism Commission as at December 31, 2008 and the statements of operations, comprehensive income and accumulated deficit and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, and the by-laws of the Commission.

A handwritten signature in black ink, appearing to read 'ANDREW Lennox', with the first name in all caps and the last name in a cursive script.

Andrew Lennox, CGA, CMA  
Assistant Auditor General  
for the Auditor General of Canada

Vancouver, Canada  
February 20, 2009

## Audited Financial Statements

### Balance Sheet

As at December 31  
(in thousands)

	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash (Note 3)	\$ 23,168	\$ 17,369
Accounts receivable (Note 3)		
Government of Canada	532	736
Partnership contributions	1,575	2,280
Other	522	403
Prepaid expenses and other assets	2,665	2,507
	<b>28,462</b>	<b>23,295</b>
<b>Capital assets (Note 4)</b>	<b>4,610</b>	<b>4,348</b>
	<b>\$ 33,072</b>	<b>\$ 27,643</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 3)		
Trade	\$ 16,274	\$ 10,535
Employee compensation	2,248	1,775
Government of Canada	1,000	83
Deferred parliamentary appropriations (Note 5)	5,855	7,859
Deferred revenue	1,205	1,156
Accrued benefit liability (Note 6)	354	—
	<b>26,936</b>	<b>21,408</b>
Deferred capital funding (Note 7)	4,678	4,416
Accrued benefit liability (Note 6)	2,134	3,338
	<b>6,812</b>	<b>7,754</b>
Accumulated deficit (Note 8)	<b>(676)</b>	<b>(1,519)</b>
	<b>\$ 33,072</b>	<b>\$ 27,643</b>

Commitments and Contingencies (Notes 10 & 11)

The accompanying notes form an integral part of the financial statements

Approved on behalf of the Board of Directors



Steve Allan  
Director



Kosta Tomazos  
Director

## Statement of Operations, Comprehensive Income and Accumulated Deficit

For the year ended December 31  
(in thousands)

	2008	2007
Revenue		
Partnership contributions	\$ 12,366	\$ 10,196
Other	570	765
	<b>12,936</b>	10,961
Expenses		
Marketing and sales (Note 9)	76,190	69,844
Corporate services	17,197	13,487
Strategy and planning	1,436	1,293
Amortization of capital assets	1,895	1,571
	<b>96,718</b>	86,195
Net cost of operations	<b>(83,782)</b>	(75,234)
Parliamentary appropriations (Note 5)	82,730	73,570
Amortization of deferred capital funding (Note 7)	1,895	1,571
	<b>84,625</b>	75,141
Net results of operations and comprehensive income for the year	<b>843</b>	(93)
Accumulated deficit, beginning of year	<b>(1,519)</b>	(1,426)
Accumulated deficit, end of year	<b>\$ (676)</b>	\$ (1,519)

The accompanying notes form an integral part of the financial statements

## Statement of Cash Flows

For the year ended December 31  
(in thousands)

	2008	2007
Cash flows from (used in) operating activities:		
Cash paid to employees and suppliers	\$ (88,897)	\$ (88,030)
Parliamentary appropriations used to fund operating activities	80,726	75,695
Cash receipts from partners	13,225	9,704
Other income received	570	765
Cash flows from (used in) operating activities	5,624	(1,866)
Cash flows used in investing activities:		
Acquisition of capital assets (Note 7)	(2,157)	(839)
Cash flows from financing activities:		
Parliamentary appropriations used for the acquisition of capital assets (Note 7)	2,157	839
Foreign exchange gain (loss) on cash held in foreign currency	175	(511)
Increase (decrease) in cash for the year	5,799	(2,377)
Cash, beginning of year	17,369	19,746
Cash, end of year	\$ 23,168	\$ 17,369

The accompanying notes form an integral part of the financial statements

## Notes to Audited Financial Statements

### Note 1

#### Authority and objectives

The Canadian Tourism Commission (the “Commission” or “CTC”) was established on January 2, 2001 under the Canadian Tourism Commission Act (the “Act”) and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Commission is for all purposes an agent of her Majesty in right of Canada. As a result, all obligations of the Commission are obligations of Canada. The Commission is not subject to income taxes.

As stated in section 5 of the Act, the Commission’s mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and the governments of Canada, the provinces and the territories.

### Note 2

#### Significant accounting policies

These financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles. A summary of significant policies follows:

##### a) Parliamentary appropriations

The Commission is mainly financed by the Government of Canada through parliamentary appropriations. Parliamentary appropriations used to fund operations are recognized as income in the year in which the related expenses are incurred. The Commission will have a deferred parliamentary appropriations balance at year-end when the appropriations received exceed expenses incurred. On the other hand, the Commission will have a parliamentary appropriations receivable balance when expenses incurred exceed parliamentary appropriations received. Deferred or receivable appropriation balances reflect timing differences between realized expenditures and cash appropriation receipts. The Commission does not have the authority to exceed approved appropriations.

Appropriations used for acquiring capital assets are recorded as deferred capital funding on the balance sheet and amortized on the same basis and over the same period as the related capital assets. Upon disposition of funded capital assets, the Commission recognizes in income all remaining deferred capital funding related to these capital assets.

As a result of the Commission’s year-end (December 31) being different than the Government’s (March 31), the Commission is funded by portions of appropriations from two Government fiscal years.

**b) Partnership contributions**

The Commission conducts marketing activities in partnership with a variety of Canadian and foreign organizations. Where the Commission assumes the financial risks of conducting a marketing activity, partnership contributions are recognized as income when the marketing activity takes place. Partnership contributions received for which the marketing activity has not yet taken place are shown as deferred revenue.

**c) Other revenues**

Other revenues consist of interest and miscellaneous revenue.

**d) Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rates. Revenue and expense items are translated during the year at the exchange rate on the date of the transaction. Translation gains and losses are reported in expenses for the year under "Corporate services". The Commission does not hedge against foreign currency fluctuations.

**e) Capital assets**

Capital assets are recorded at cost less accumulated amortization and the amount of any write-downs. Capital assets are amortized on the straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	Remaining term of lease
Office furniture	5 years
Computer hardware	3 years
Computer software	5 years
Website	3 years

**f) Employee future benefits**

The Commission offers a number of funded and unfunded defined benefit pension plans, unfunded defined benefit plans (which include post-employment benefits and post-retirement benefits) as well as defined contribution pension plans that provide pension and other benefits to qualifying employees. The pension plans include statutory plans and a supplemental plan. Other benefit plans include post-employment severance benefits and post-retirement health, dental and life insurance benefits. The defined benefit pension plans provide benefits based on years of service and average earnings at retirement. The Commission funds certain pension plans annually based on actuarially determined amounts needed to satisfy employee future benefit entitlements under current benefit regulations. Cost of living adjustments are automatically provided for retirees in accordance with Consumer Price Index increases.

The costs and obligations of the defined benefit plans are actuarially determined using the projected benefit method prorated on service that incorporates management's best estimate of rate of employee turnover, retirement age, cost of claims per person, future salary and benefit levels, return on plan assets, future medical costs, and other actuarial factors. For the purposes of calculating the expected return on plan assets, those assets are valued at fair value.

Past service costs arising from plan amendments are deferred and amortized at the date of plan amendments on a straight-line basis over the expected average remaining service lifetime (EARSL) to full eligibility of active employees, which has been determined to be 15 years (10 in 2007) for the Supplementary Retirement Plan (SRP), 16 years (30 in 2007) for the Registered Retirement Plan (RPP) and 9 years (13 in 2007) for non-pension post-retirement benefits.

The excess of the net accumulated actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the EARSL of active employees. This EARSL has been determined to be 15.9 years (15.9 in 2007) for the RPP, 15 years (15 in 2007) for the SRP, 16.4 years (16.4 in 2007) for the Pension Plan for Employees of the Canadian Tourism Commission in Germany, Japan, South Korea and China, 18 years (18 in 2007) for non-pension post-retirement benefits, and 9 years (9 in 2007) for severance benefits.



In the case where the benefit plans are impacted by both a curtailment and a settlement, the curtailment is taken into consideration first in calculating the accrued benefit obligations of the plans.

Employees working in the United Kingdom and the United States participate in the Department of Foreign Affairs defined benefit pension plans administered by the Government of Canada. The assets of these plans cannot be allocated among participating employers, and as such, these plans are deemed “multi-employer” plans and accounted for as defined contribution plans. The Commission’s contributions to these plans reflect the full benefit cost of the employer. These amounts vary depending upon the plan and are based on a percentage of the employee gross earnings. Contributions may change over time depending on the experience of the plans since the Commission is usually required under present legislation to make adjustments for the rate of contributions to cover any actuarial deficiencies of these plans. Contributions represent the total pension obligations of the Commission for these employees and are charged to operations during the year in which the services are rendered.

**g) Measurement uncertainty**

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 amounts of income and expense during the reporting periods. Actual results could differ significantly from those estimates. The most significant estimates involve the determination of employee future benefits and the useful lives for amortization of capital assets. Management estimates that amortized cost, based on the effective interest rate method, is a reasonable indicator of fair value. As such, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of their short-term maturity.

**h) Financial instruments**

The Commission’s financial instruments consist of cash held in a general bank account, accounts receivable, accounts payable and accrued liabilities, which are incurred in the normal course of business.

Financial instruments are classified into one of the following classifications: held-for-trading, held-to-maturity, loans and receivables, available-for-sale and other financial liabilities.

All financial instruments are measured at fair value on initial recognition of the instrument, except for certain related party transactions. Subsequent measurement and the accounting for the changes in fair value depend on their initial classification. The Commission classifies its cash held in a general bank account as “held-for-trading” which is measured at fair value. Accounts receivable as “loans and receivables” and its accounts payable and accrued liabilities as “other financial liabilities”, which are both measured at amortized cost.

**i) Capital management**

The Commission is a Crown Corporation which is mainly financed by the Government of Canada through parliamentary appropriations. The Commission is subject to financial management and accountability provisions of the *Financial Administration Act*, which imposes restrictions in relation to borrowing, acquisition of securities, issuing guarantees and indemnities and the use of derivatives. The Commission did not have any externally imposed capital requirements during 2008.

The Commission’s capital is its equity, which comprises accumulated funds and other reserves. As a result, the Commission does not maintain a capital account on its balance sheet. The Commission does however maintain an accumulated deficit balance (Note 8) as an indicator of the Commission’s equity position. This represents a balance that is expected to reverse in future periods.

The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure the Commission effectively achieves its objective and purpose.

#### j) Changes in accounting policies

On January 1, 2008, the Commission adopted the Canadian Institute of Chartered Accountants ("CICA") Section 1535 "Capital Disclosures", Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation. These new sections were applied prospectively.

Section 1535 requires disclosure of information related to the objectives, policies and processes for managing capital, and particularly whether externally imposed capital requirements have been complied with. As this section only addresses disclosure requirements, there is no impact on the Commission's operating results.

Sections 3862 and 3863 replace the existing disclosure and presentation recommendations contained in Section 3861 "Financial Instruments - Disclosure and Presentation". The new disclosure standards increase the disclosures related to financial instruments, and the nature, extent and management of the Commission's risks arising from financial instruments. The presentation standards carry forward unchanged the former presentation requirements. As these sections only address disclosure and presentation requirements, there is no impact on the Commission's operating results. The new required disclosure is provided in Note 3.

## Note 3

### Financial instruments

#### Credit risk

Credit risk is the risk of financial loss to the Commission if a partner or other party fails to meet its contractual obligations. The Commission, in the normal course of business, is exposed to credit risk on its accounts receivable. The Commission generally grants 30 day credit terms to its partners and other specific terms for its other accounts receivable.

Accounts receivable are presented net of applicable allowance for doubtful accounts, which is established based on the specific credit risk associated with the partner in addition to management's judgment and prior experience working with the partner. The allowance for doubtful accounts totalled \$150,000 as at December 31, 2008 (\$17,000 as at December 31, 2007).

The Commission's maximum exposure to credit risk at December 31, 2008 was \$2,629,000.

The aging of accounts receivable as at December 31, 2008 is as follows:

(in thousands)	Government	Partnership Contributions	Other
Within terms	\$ 532	\$ 1,170	\$ 522
Beyond terms	–	405	–
	\$ 532	\$ 1,575	\$ 522

#### Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances to meet liabilities when due. To achieve this, the Commission actively monitors, forecasts and manages its cash flows including Government appropriations.

#### Currency risk

The Commission is exposed to foreign exchange risk as a significant portion of its revenue and expenses are earned or incurred and subsequently received or paid in currencies other than Canadian dollars. Foreign exchange risk arises due to fluctuations in foreign currency rates, which could affect the Commission's financial results. The Commission does not hedge against foreign currency fluctuations and accepts the operational and financial risks associated with fluctuations in foreign currency rates.

The undernoted accounts are comprised of the following currencies:

Currency (in thousands)	Cash		Accounts receivable		Accounts payable and accrued liabilities	
	Currency units	Canadian equivalent	Currency units	Canadian equivalent	Currency units	Canadian equivalent
Australian Dollars	196	\$ 166	121	\$ 103	146	\$ 123
Canadian Dollars	21,432	21,432	1,385	1,385	13,301	13,301
Chinese Yuan	130	23	12	2	547	98
Euros	70	121	87	150	507	829
Great Britain Pounds	36	64	307	543	101	179
Japanese Yen	837	11	714	10	120,479	1,630
Mexican Pesos	71	6	177	15	325	30
South Korean Won	14,122	14	25,227	24	197,079	192
United States Dollars	1,088	1,331	324	397	2,568	3,140
Total Canadian equivalent		\$ 23,168		\$ 2,629		\$ 19,522
Comprised of:						
Government of Canada				532		1,000
Trade and partnership				1,575		16,274
Other				522		
Employee compensation						2,248
Total		\$ 23,168		\$ 2,629		\$ 19,522

At December 31, 2008, if the above foreign currencies had strengthened (or weakened) by 10 percent against the Canadian dollar, with all other variables held constant, results of operations would have declined (improved) by approximately \$415,000. However, the net results of operations and comprehensive income would remain unchanged and deferred parliamentary appropriations on the balance sheet would have decreased (increased) by \$415,000.

#### Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at December 31, 2008 the Commission is not exposed to significant interest rate risk.

#### Fair value

As at December 31, 2008, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of their short-term maturity, which also approximates amortized cost.

## Note 4

### Capital assets

(in thousands)	Cost	Accumulated amortization	December 31, 2008 net book value	December 31, 2007 net book value
Leasehold improvements	\$ 3,449	\$ 1,819	\$ 1,630	\$ 1,928
Office furniture	1,605	1,091	514	702
Computer hardware	1,732	1,272	460	225
Computer software	3,181	2,723	458	550
Website	2,873	1,325	1,548	943
Total	\$ 12,840	\$ 8,230	\$ 4,610	\$ 4,348

## Note 5

### Parliamentary appropriations

The schedule below reconciles the amount of funding available to the Commission during the year with the amount actually used in operations.

(in thousands)	2008	2007
Amount provided for operating and capital expenditures:		
Amounts voted in 2007/08 (2006/07)		
Main estimates	\$ 76,577	\$ 76,526
Supplementary estimates A	5	–
Supplementary estimates B (Note 14)	2,700	–
Treasury Board Vote 15	–	8
Special warrants	–	–
	79,282	76,534
Less: Portion recognized in calendar 2007 (2006)	(50,491)	(52,616)
	28,791	23,918
Amounts voted in 2008/09 (2007/08)		
Main estimates (Note 14)	82,646	76,577
Supplementary estimates A	–	5
Supplementary estimates B	10	–
	82,656	76,582
Less: Portion to be recognized in calendar 2009 (2008)	(20,705)	(18,232)
Parliamentary appropriations deferred at year-end	(5,855)	(7,859)
	56,096	50,491
	84,887	74,409
Amounts used to purchase capital assets	(2,157)	(839)
Parliamentary appropriations used for operations in the year	\$ 82,730	\$ 73,570

## Note 6

### Accrued benefit liability

The Commission offers a number of employee future benefit plans covering its employees in Canada and abroad. The following table summarizes these plans and the benefits they provide:

Employees covered	Name of the plan	Nature of the plan	Contributors	Accounting treatment
Canada	Registered Pension Plan for the Employees of the Canadian Tourism Commission – Defined Benefit component	Funded, Defined Benefit Plan	CTC and plan members	Defined Benefit Plan
	Registered Pension Plan for the Employees of the Canadian Tourism Commission – Defined Contribution component	Combination of Defined Contribution Plan and Group RRSP	CTC and plan members	Defined Contribution Plan
	Supplementary Retirement Plan for Certain Employees of the Canadian Tourism Commission	Partly funded, Defined Benefit Plan	CTC and plan members	Defined Benefit Plan
	Non-Pension Post-Retirement Benefit Plan for Canadian Employees	Unfunded, Defined Benefit Plan	CTC and plan members	Defined Benefit Plan
China, Germany, Japan and South Korea	Pension Plan for Employees of the CTC in China, Germany, Japan and South Korea	Unfunded, Defined Benefit Plan	CTC and the Government of Canada	Defined Benefit Plan
United States	Qualified Pension Plan for U.S. Citizen Employees Working in the U.S.	Funded Multi-employer Defined Benefit Plan	CTC	Defined Contribution Plan
	Registered Pension Plan for Canadian Citizen Employees Working in the U.S.	Funded Multi-employer Defined Benefit Plan	CTC	Defined Contribution Plan
United Kingdom	Canadian High Commission Locally Engaged Staff Pension Scheme	Funded Multi-employer Defined Benefit Plan	CTC	Defined Contribution Plan
Australia	Hospitality and Tourism Industry Defined Contribution Pension Arrangement	Defined Contribution Plan	CTC	Defined Contribution Plan
All Employees	Severance Benefits for Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	CTC	Defined Benefit Plan

#### Defined contribution plans

The Commission has established a defined contribution pension plan for non-unionized employees in Canada, hired on or after August 1, 2005. On January 30, 2007, the Canadian unionized employees of the Commission agreed to participate in the defined contribution plan effective March 8, 2007. This decision impacts unionized employees hired on or after August 1, 2005. For service prior to March 8, 2007, the impacted members had a one-time option to either retain their accrued defined benefit pension in the plan, or to transfer the commuted value of such accrued benefits to the defined contribution plan. The commuted value was paid out for the vested employees. The employee contributions with interest were paid out for the non-vested employees; the remaining portion of the commuted value will be paid out on their vesting dates. As of December 31, 2008, the transfer totaled \$561,700 (\$nil in 2007) and the Commission has made special contributions of \$73,400 to cover the transfer deficiency.

Employees in Australia participate in the Hospitality and Tourism Industry defined contribution pension arrangement, to which the Commission is required to contribute.

The total cost for the Commission's defined contribution pension plans is \$360,210 in 2008 (\$305,511 in 2007).

The Commission also participates in multi-employer defined benefit plans providing pension benefits to employees working in the United States and in the United Kingdom. These plans, to which contributions totalled \$240,829 in 2008 (\$285,625 in 2007), are accounted for as defined contribution plans.

### **Defined benefit plans**

#### **Canada**

The Commission has a number of defined benefit plans in Canada, which provide post-retirement and post-employment benefits to its employees:

Effective January 2, 2004, pension arrangements include a registered pension plan as well as a supplemental arrangement, which provides pension benefits in excess of statutory limits. The Commission provides pension benefits based on employees' years of service and average earnings at the time of retirement. The registered pension plan is funded by contributions from the Commission and from the members. In accordance with pension legislation, the Commission contributes amounts determined on an actuarial basis and has the ultimate responsibility for ensuring that the liabilities of the plan are adequately funded over time. The supplemental retirement plan liabilities arising on and after January 2, 2004 are funded on a pay-as-you-go basis.

Post-retirement benefits include health, dental and life insurance benefits. The cost of these benefits is paid for by the Commission and the retirees. These benefits are unfunded.

#### **Abroad**

The Commission has a number of defined benefit plans for its locally engaged staff outside of Canada, which provide pension and severance benefits. The Commission provides retirement benefits based on employees' years of service and average earnings at the time of retirement. In accordance with pension legislation, the Commission contributes amounts determined on an actuarial basis to the plan and has the ultimate responsibility for ensuring that the liabilities of the plan (as they pertain to its employees) are adequately funded over time. In China, Germany, Japan and South Korea, the plan is unfunded. The Commission is only responsible for the service accruing on and after January 2, 2001.

#### **All employees**

Severance benefits are provided for all current employees. The cost of the benefits is fully paid by the Commission. These plans are unfunded.

### **Measurement date and date of actuarial valuation:**

The most recent actuarial valuation of the Canadian registered defined benefit pension plan for funding purposes was as at December 31, 2007, and the next required valuation will be as at December 31, 2008 which will be completed in mid-2009. The going concern financial position based on the most recent actuarial valuation shows a funding excess of \$978,400 (\$428,300 for 2007). The valuation also identified a solvency ratio of 87.2% (86.9% for 2007). Due to the solvency ratio being less than 100%, the Commission is required to make special payments of \$989,800 in 2009, \$544,300 in 2010, \$194,200 in 2011 and \$178,600 in 2012.

The Commission measures its accrued benefit obligations and the fair value of plan assets of its pension plans and post-retirement non-pension benefits for accounting purposes as at September 30<sup>th</sup> of each year.



**Accrued benefit obligation, plan assets, and funded status:**

Change in accrued benefit obligation	Pension		Other benefit plans	
	2008	2007	2008	2007
Accrued benefit obligation, beginning of year	\$ 19,797,700	\$ 20,544,900	\$ 2,816,700	\$ 2,733,500
Current service cost (employer portion)	612,500	789,500	309,600	355,900
Interest cost	1,107,200	1,080,700	171,500	154,800
Employees' contributions	116,900	211,000	–	–
Benefits paid	(1,124,600)	(556,400)	(88,700)	(64,500)
Actuarial gain	(3,579,300)	(2,272,000)	(489,400)	(363,000)
Plan amendments <sup>3</sup>	304,900	–	–	–
Accrued benefit obligation, end of year	\$ 17,235,300	\$ 19,797,700	\$ 2,719,700	\$ 2,816,700

The effect on the accrued benefit obligation at the end of the year of a one percentage point increase in the assumed health care cost trend rate would be \$170,900 (\$191,900 in 2007) and a one percentage point decrease would be \$129,000 (\$144,250 in 2007). The effect on the service cost plus interest costs at the end of the year of a one percentage point increase in assumed health care cost trend rate would be \$64,000 (\$61,900 in 2007) and a one percentage point decrease would be \$44,800 (\$43,500 in 2007).

The plan assets at the end of 2008 related to the Registered Pension Plan and the Supplementary Retirement Plan exceed the accrued benefit obligation. The accrued benefit obligation for the Pension Plan for Employees of the Canadian Tourism Commission in China, Germany, Japan and South exceed the plan assets at the end of 2008. In 2007, the plan assets for the Supplementary Retirement Plan exceeded the accrued benefit obligation while the accrued benefit obligation for the Registered Pension Plan and the Pension Plan for Employees of the Canadian Tourism Commission in China, Germany, Japan exceeded plan assets<sup>3</sup>.

The accrued benefit obligation and fair value of assets at year end are the following amounts in respect of plans that are either unfunded or not fully funded:

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
Accrued benefit obligation	\$ 745,200	\$ 19,193,700	\$ 2,719,700	\$ 2,816,700
Fair value of plan assets	–	18,213,300	–	–
Funded status – deficit, end of year	\$ (745,200)	\$ (980,400)	\$ (2,719,700)	\$ (2,816,700)

3 The RPP has been amended to match three plan changes made to the PSSA Plan effective May 28, 2008 as follows: the members' required contributions to the RPP have been increased according to the 6-year graded schedule, the RPP Supplemental Pension multiplier was changed from 0.7% to 0.625%, and lastly, the multiplier for the offset to the Lifetime Pension was also changed from 0.7% to 0.625%.

## Detailed pension plan information

	2008	2007
<b>Defined benefit component of Pension Plan for Employees of the commission</b>		
Accrued benefit obligation	\$ (15,757,600)	\$ (18,517,000)
Fair value of plan assets	16,402,800	18,213,300
Surplus (Deficit)	\$ 645,200	\$ (303,700)
<b>Defined benefit component of the Supplementary Retirement Plan for certain employees of the commission</b>		
Accrued benefit obligation	\$ (732,500)	\$ (604,000)
Fair value of plan assets	1,123,200	\$ 1,202,700
Surplus (Deficit)	\$ 390,700	598,700
<b>Pension Plan for employees of the commission in China, Germany, Japan and South Korea</b>		
Accrued benefit obligation	\$ (745,200)	\$ (676,700)
Fair value of plan assets	—	—
Surplus (Deficit)	\$ (745,200)	\$ (676,700)

## Change in Plan Assets

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
Fair value of plan assets, beginning of year	\$ 19,416,000	\$ 16,605,400	\$ —	\$ —
Actual return on (decrease of) plan assets net of actual investment expenses	(1,900,800)	1,309,700	—	—
Employer contributions	1,018,500	1,846,300	88,700	64,500
Employees' contributions	116,900	211,000	—	—
Benefits paid	(1,124,600)	(556,400)	(88,700)	(64,500)
Fair value of plan assets, end of year	\$ 17,526,000	\$ 19,416,000	\$ —	\$ —

The weighted-average asset allocation by asset category of the Commission's defined benefit pension plans is as follows:

	2008	2007
Equity securities	54%	61%
Debt securities	42%	36%
Receivable from Government of Canada	4%	3%
Total	100%	100%

**Reconciliation of funded status  
to accrued benefit asset (Liability)**

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
Funded status – surplus (deficit), end of year	\$ 290,700	\$ (381,700)	\$ (2,719,700)	\$ (2,816,700)
Employer contributions during period from measurement date to fiscal year end	593,000	98,400	–	–
Unamortized past service costs	74,300	(267,500)	71,000	79,600
Unamortized net actuarial loss (gain)	742,200	1,112,900	(1,539,400)	(1,161,200)
Accrued benefit asset (liability)	1,700,200	562,100	(4,188,100)	(3,898,300)
Less current portion	–	–	(354,163)	–
	\$ 1,700,200	\$ 562,100	\$ (3,833,937)	\$ (3,898,300)

The cumulative excess of pension contributions over pension benefit cost is reported as accrued benefit asset. Other post-retirement and post-employment benefits are reported as an accrued benefit liability. The net of these two amounts \$2,487,900 is reported on the balance sheet as *Accrued benefit liability* under current liabilities, \$354,163 and non-current liabilities, \$2,133,737, respectively.

Net benefit cost recognized in the period:

**Components of Net Periodic Benefit Cost**

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
Current service cost (employer portion)	\$ 612,500	\$ 789,500	\$ 309,600	\$ 355,900
Interest cost	1,107,200	1,080,700	171,500	154,800
Actual decrease of (return on) plan assets net of actual investment expenses	1,900,800	(1,309,700)	–	–
Actuarial gain	(3,579,300)	(2,272,000)	(489,400)	(363,000)
Plan amendments <sup>4</sup>	304,900	–	–	–
Costs arising in the period	346,100	(1,711,500)	(8,300)	147,700
Differences between costs arising in the period and costs recognized in the period in respect of:				
Return on plan assets	(3,179,000)	160,900	–	–
Actuarial loss	3,549,700	2,375,200	124,000	278,800
Past service costs <sup>4</sup>	(341,800)	(44,800)	8,600	8,600
Net periodic benefit cost recognized	\$ 375,000	\$ 779,800	\$ 124,300	\$ 435,100

4 Refer to footnote 3 on the Accrued benefit obligation, plan assets, and funded status table.

Significant actuarial assumptions used are as follows (weighted average):

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
<b>Accrued benefit obligation</b>				
Discount rate	6.75 %	5.60 %		
Non-pension post retirement			6.85 %	5.50 %
Post employment severance			6.50 %	5.60 %
<b>Rate of compensation increase</b>				
Canadian	4.00 %	4.00 %	4.00 %	4.00 %
Locally engaged	4.50 %	4.50 %	4.75 %	4.75 %
<b>Net benefit cost</b>				
Discount rate	5.60 %	5.20 %		
Non-pension post retirement			5.50 %	5.25 %
Post employment severance			5.60 %	5.00 %
Expected long-term rate of return on plan assets	6.75 %	6.75 %		
<b>Rate of compensation increase:</b>				
Canadian	4.00 %	4.00 %	4.00 %	4.00 %
Locally engaged	4.50 %	4.50 %	4.75 %	4.75 %

Assumed health care cost trend rate:

	Pension		Other Benefit Plans	
	2008	2007	2008	2007
Initial health care trend rate	N/A	N/A	8.10 %	8.60 %
Ultimate health care trend rate	N/A	N/A	5.00 %	5.00 %
Year ultimate rate reached	N/A	N/A	2015	2015

**Total cash amounts:**

Total cash amounts for employee future benefits, consisting of cash contributed in the normal course of business by the Commission to its funded and unfunded defined benefit pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, cash contributed to its defined contribution plans and cash contributed to its multi-employer defined benefit plan is \$1,063,844 (\$1,246,944 in 2007). In addition, the Commission was required to make special quarterly payments totalling \$1,144,600 (\$656,400 in 2007) due to the solvency shortfall identified in the most recent actuarial valuation of the Canadian registered defined benefit pension plan for funding purposes as at December 31, 2007. The total cash amount is \$2,208,444 (\$1,903,344 in 2007).

## Note 7

### Deferred capital funding

Deferred capital funding represents the unamortized portion of parliamentary appropriations and other funding received to purchase capital assets.

Changes in the deferred funding balance are as follows:

	2008	2007
(in thousands)		
Balance, beginning of the year		
Parliamentary appropriations	\$ 4,042	\$ 4,690
Funding from related party	374	458
	<b>4,416</b>	5,148
Funding received in the current year for the acquisition of capital assets		
Parliamentary appropriations	2,157	839
Amortization		
Parliamentary appropriations	(1,811)	(1,487)
Funding from related party	(84)	(84)
	<b>(1,895)</b>	(1,571)
Balance, end of the year		
Parliamentary appropriations	4,388	4,042
Funding from related party	290	374
	<b>\$ 4,678</b>	\$ 4,416

## Note 8

### Accumulated deficit

As indicated in Note 1, on January 2, 2001 the Canadian Tourism Commission became a Crown corporation and all assets and liabilities of the Commission as a special operating agency of the Department of Industry were transferred to the Commission. The net book value of the elements transferred was then credited to the accumulated deficit.

The accumulated deficit represents liabilities incurred by the Commission, net of deferred capital funding, that have not yet been funded through parliamentary appropriations. The accumulated deficit balance does not reflect the fact that employee future benefits will be funded only at the time the related benefits are paid by the Commission.

## Note 9

### Marketing and sales expenses

The Commission carries out marketing and sales activities in a variety of countries around the world. These countries are supported by the Commission's Corporate Marketing and Sales units, located at headquarters including E-Marketing, Brand, Research and Product Innovation and Enhancement. Total marketing and sales expenses are comprised of the following:

(in thousands)	2008		2007	
International (Europe, Latin America, Asia-Pacific)	\$	30,747	\$	26,804
United States		30,800		26,082
Corporate Marketing and Sales		14,643		15,418
Canada		–		1,540
	\$	76,190	\$	69,844

## Note 10

### Commitments

The Commission has entered into various agreements for marketing and consulting services and leases for office premises and equipment in Canada and abroad. The total commitments of the Commission as at December 31, 2008 are \$39 million (\$34.7 million in 2007).

The future minimum lease payments for office premises and equipment pursuant to these agreements are approximately as follows:

(in thousands)													
2009		2010		2011		2012		2013		Subtotal	2014–2015	Total	
\$	2,730	\$	2,094	\$	1,847	\$	1,280	\$	975	\$	8,926	\$	10,250

## Note 11

### Contingencies

A significant portion of the Commission's Canadian based employees are employed under the terms of a Collective Agreement between the Commission and the Professional Institute of the Public Service of Canada (the "Union") which expired on June 21, 2007. The Commission is currently negotiating a new Collective Agreement with the Union. In addition, the Commission and the Union have commenced a joint job evaluation and classification program, to standardize their classification practices. In the opinion of management the outcomes, timing and impacts of either of these matters, are not determinable. Additional costs, if any, will be recognized as incurred by the Commission.

In the normal course of business, various claims and lawsuits have been brought against the Commission. Where in the opinion of management, losses, which may result from the settlement of the matters, are determinable within a reasonable range and such losses were likely to be incurred, they would be charged to expenses. In the event management concludes that losses are indeterminable, no provision has been made in the accounts of the Commission.



## Note 12

### Related party transactions

The Commission is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations and is primarily financed by the Parliament of Canada.

In the normal course of business and on normal trade terms applicable to all individuals and enterprises, the Commission incurred expenses totalling \$2.0 million (\$2.0 million in 2007) for marketing, research and other professional services purchased from other government departments and agencies, and received partnership contributions and other amounts totalling \$1.5 million (\$1.4 million in 2007) from other departments and agencies. These transactions are recorded at the exchange amount, which approximates fair value.

## Note 13

### Head office relocation

As a result of a decision made by the Government of Canada, the Commission relocated its head office from Ottawa to Vancouver effective December 5, 2005. For the year ended December 31, 2008, the Commission incurred costs of \$82,000 (\$92,000 in 2007) related to the move.

## Note 14

### 2010 Winter Olympic and Paralympic Games

On October 18, 2007, the Treasury Board of Canada approved \$26 million of one-time funding to support the Commission in delivering programs related to the 2010 Winter Olympic and Paralympic Games. These funds are expected to be utilized over a five year period, commencing in fiscal 2008. The Commission requested \$2.7 million of this funding through 2007/08 Supplementary Estimates (B), and this funding was received in fiscal 2008. The remaining amounts will be requested through Main Estimates appropriations over the four Government fiscal years (2008/09 to 2011/12). In addition, in fiscal 2008/09, Main Estimates appropriations totalled \$82.6 million, of which \$3.6 million related to the 2010 Winter Olympic and Paralympic Games.

For the year ended December 31, 2008, the Commission incurred costs net of partnership contributions related to the 2010 Winter Olympic and Paralympic Games as follows:

(in thousands)	2008		2007	
Marketing and Sales	\$	2,226	\$	—
Corporate Services		2,879		—
Strategy and Planning		262		—
	\$	5,367	\$	—

## Note 15

### Subsequent event

On January 27, 2009, the Minister of Finance tabled the Federal Budget 2009 (the "Budget") in the House of Commons. Included in the Budget was funding to stimulate the growth of tourism and help bring Canada to the forefront of the minds of travellers, both here and abroad. The Budget provides \$40 million for the Commission over the next two Government fiscal years (\$20 million in each of 2009/10 and 2010/11), including \$20 million for domestic advertising and \$20 million for new activities in priority international markets. Parliament approved the Budget on February 3, 2009.

# Corporate Governance

The *Corporate Governance* section provides an overview of our Board of Directors, Senior Management Committee and overall staff composition in 2008.

drove out to a quaint little fishing village where we spent most of the morning. The harbour was bustling, filled with boats bringing in their daily catch. Had lunch at a little seaside café, eating + hiring the boats more





**Board of Directors  
as at December 31, 2008**

Back row (left to right): Bhagwant  
S. Parmar; Montie Brewer;  
Kelliann Dean; Alexander Reford;  
Scott Allison; Rod Taylor

Front row (left to right): Shaun Harbottle;  
Kosta Tomazos; Van Isman; Boyd  
Warner; Ellen Barry; Steve Allan; Gina  
Noordhof; Liette Lacroix Kenniff;  
Michele McKenzie

Missing: Jean-Marc Eustache;  
Christiane Germain; Rod A.  
Seiling; Leah George Wilson;  
Gordon MacInnis; Louise Page;  
Bill Werry; Richard Dicerni

## Board of Directors

A 26-member Board of Directors oversees the business of the CTC, which operates in partnership with the public and private sectors. The Board of Directors provides strategic guidance and stewardship, and approves the Corporate Plan and allocation of resources. See Appendix 2 for all members of the Board of Directors throughout 2008.

The Chair of the Board and the President & CEO are appointed by the Governor-in-Council. The remaining directors are appointed by the Minister of Industry with the approval of the Governor-in-Council. The Deputy Minister of Industry Canada is an ex-officio director. Appointments are made to reflect the private/public sector nature of the industry, the various regions of Canada and the composition of its population. The make-up of the Board is governed by the *Canadian Tourism Commission Act*.

The President & CEO is accountable to the Board of Directors for the management and performance of the organization. The Board is accountable to Parliament through the Minister of Industry. The primary vehicles for reporting to the Crown are the Annual Report and the five-year Corporate Plan.

In 2008, the CTC Board of Directors met three times in person in different regions of the country and three times by conference call. The Executive Committee met four times in person and once by conference call.

### Board Education

As in previous years, new and current directors were invited to an orientation session in 2008 to inform them of their roles and responsibilities, and to provide an overview of the business of the corporation. All directors were also encouraged to attend Treasury Board of Canada sessions for directors.

Board members regularly received information on trends in corporate governance and other issues relevant to the corporation.

## Senior Management Committee



Back row (left to right):  
Paul Nursey; Michele McKenzie;  
Andrew Clark; Chantal Péan

Front row (left to right):  
Greg Klassen; Lena Bullock

### **Michele McKenzie**

**President & Chief Executive Officer (CEO) of the CTC** is responsible and accountable for all operational activities of the organization. The following positions report directly to the President & CEO and form our Senior Management Committee (SMC):

### **Chantal Péan**

**Senior Vice-President, Corporate Affairs and Corporate Secretary** is responsible and accountable for human resources, legal services, information technology, procurement services, government relations and corporate communications. As Corporate Secretary, this officer reports on Board-related matters to the Chair of the Board of Directors.

### **Greg Klassen**

**Senior Vice-President, Marketing Strategy and Communications** is responsible and accountable for the performance and results of marketing initiatives at the CTC. This senior executive leads the development of marketing plans and strategies, as well as media and public relations, in order to build and enhance our programs and capacity to extend Canada's tourism brand.

### **Andrew Clark**

**Vice-President, Sales and Market Development** is responsible and accountable for the management of the international sales staff, and is responsible for gathering in-market intelligence and developing new business opportunities and partnerships throughout our international markets.

### **Lena Bullock**

**Chief Financial Officer (CFO)** is responsible and accountable for our finances, audit activities, and for providing executive support to the Audit Committee of the Board of Directors.

### **Paul Nursey**

**Executive Director, Strategy Management** sits on a permanent basis with the SMC and is responsible and accountable for our overall strategy management, including the development of performance measures and all corporate plans and reports.



## Staff

### Overall Staff

We have 160 permanent positions throughout the entire organization. Ninety-four positions (59 percent) are located at our head office in Vancouver and are engaged in marketing, communication and research activities, as well as providing corporate and information services. We also have a small corporate office in Ottawa with three positions.

### International Staff

We have 63 full-time international marketing and sales positions (39 percent) and operate international offices in the U.S., Mexico, the U.K., France, Germany, China, Japan, South Korea and Australia. We maintain our strongest presence (26 positions) in various U.S. cities.

Our U.S. in-market sales staff operate from 11 major U.S. cities. Offices are located in Washington, D.C. and Chicago, while the remainder of the staff work from home offices. The Meetings, Convention and Incentive Travel (MC&IT) group focuses on direct solicitation of associations, corporations, and incentive programs to develop new business opportunities and generate sales and marketing leads. The Leisure group targets tour operators, wholesalers and travel agency consortia through sales, partnerships, and education to drive incremental business for fully independent travel and group travellers.



## Appendix 1: Reporting Back on 2008 Planned Activities and Deliverables

As part of our integrated planning cycle, each of our core functions and enabling units develop operational action plans that are aligned with the overall corporate strategy. These plans outline specific activities and deliverables that will be undertaken in order for us to deliver on our strategic goal. The following table presents a status update on planned activities and deliverables for each of the five priorities as outlined in the 2008-2012 Corporate Plan:

2008 Planned Activities and Deliverables by Priority

Priority	Key planned activities	Key planned deliverables	Status in 2008
1 – Consumer relevancy	Continue to implement the Explorer Quotient (EQ) tool	Develop internal & external communications strategy	Complete
		Identify EQ types and tag consumer profiles with EQ profiles	Complete
		Complete EQ strategy in Canada, U.S. & U.K.	Complete
	Conduct consumer research on travel preferences, attitudes and motivations	Conduct consumer research to identify travel experience preferences, attitudes and motivations toward international travel, preferred travel experiences, and travel vacation planning and decision-making	Complete
	Continue to develop CRM system	Update CRM system for marketing campaigns	Complete & ongoing
	Create a valuable online experience using the e-marketing strategy	Implement Web-content strategy to articulate more brand content	Complete & ongoing
		New front-end design to support brand articulation	Complete & ongoing
		Change back-end to deliver strategy more effectively	Complete & ongoing
2 – Align market allocations for maximum ROI	Align market allocations to achieve highest ROI	Annual assessment to establish alignment for maximum ROI	Complete
3 – Differentiate Canada	Expand the Brand Canada Toolkit	“Year of the Stories”: Use stories as tools to leverage Canada as tourism destination	Complete & ongoing
		Use new media (Yahoo) to assess effectiveness of peer-to-peer strategies to bring Canada’s tourism brand to life	Complete
		Develop PIE (now Brand Experiences) toolkit in Canada’s brand toolkit (image brief, B-roll brief, experiential brief)	Complete & ongoing
	Development and population of the Content Library	Develop Content Library (stories and images)	Complete & ongoing
	Globalization of key brand messaging for efficiency and strengthened brand positioning worldwide	Ongoing	Ongoing
	Awareness and training of Canada’s tourism brand	Ongoing	Ongoing

#### 2008 Planned Activities and Deliverables by Priority

Priority	Key planned activities	Key planned deliverables	Status in 2008
4 – Leverage media exposure of the Vancouver 2010 Olympic and Paralympic Winter Games	Lead National Tourism Marketing Working Group	Develop Canada promotional video and inventory of stories	Complete & ongoing
		Plan Torch Relay route with VANOC	Complete & ongoing
		Use Olympic brand in international marketing campaigns	Complete & ongoing
	Leverage media exposure	Develop partnership agreements with domestic and international media	Complete & ongoing
		Develop B-roll and provide to media	Complete & ongoing
	Leverage opportunity of Beijing 2008 Olympic Games	Work with partners to support activities in Canada/B.C. Pavilion in Beijing and maintain presence during lead-up to Beijing Olympics	Complete
	Develop partnership agreements	Develop partnership agreements with sponsors (e.g. RBC)	Complete & ongoing
	Leverage opportunity of post-Olympic afterglow	Ongoing	Ongoing
5 – Organizational Excellence	Staff survey assessment	Annual staff survey assessment to measure staff engagement and work environment	Complete
	Development, implementation and monitoring of robust human resources plans, policies, systems and practices	Develop and implement policies and practices that are similar to private sector best practices	Complete & ongoing
	Leadership development to ensure that CTC leaders possess required skills, competencies and attitudes	Offer coaching development opportunities to leadership team members	Complete & ongoing
	Development of a strategy and processes to grow and retain talent and great leaders	Focus on managing talent by developing and implementing a strategy and processes to acquire and retain talent	Complete & ongoing
	Emphasize strategy-focused organization	Raise awareness within leadership team of benefits of being a strategy-focused organization and integrate strategy management into core business practices	Complete & ongoing
		Use Strategy Map and Balanced Scorecard (BSC) framework to communicate CTC's goal and approach to employees and stakeholders	Complete & ongoing
		Ensure business unit strategies are linked to and integrated with organizational strategy by defining performance measures linked to corporate scorecard measures	Complete & ongoing
			Complete & ongoing

## Appendix 2: Board of Directors, Committees of the Board and Working Committee Chairs

The CTC places a strong emphasis on corporate governance. Our mission to *harness Canada's collective voice to grow tourism export revenue* requires that the tourism partners' voices are heard at all level of the organization, including the Working Committee and Board of Director levels. We have a unique governance structure that is comprised largely of volunteers, with a mixture of private and public sector representation. We also have several governance best practices, including an annual Board survey which ensures that all Board members are well prepared and engaged. In 2008, a new Chair of the Board – Steve Allan – was appointed; he began his duties on February 28, 2008.

### Chair of the Board

**Chris Cahill**

*(Interim Chair until February 27, 2008)*  
President & COO  
Fairmont Hotels & Resorts

**Steve Allan**

*(since February 28, 2008)*  
Vice President  
RSM Richter Inc.

### National Representatives

**Montie Brewer**

President & CEO  
Air Canada

**Bob Ackles**

*(passed away July 6, 2008)*  
President & CEO  
B.C. Lions Football Club

**Jean-Marc Eustache**

President & CEO  
Transat A.T. Inc.

**Rod A. Seiling**

Chairman  
Ontario Racing Commission

**Christiane Germain**

President & Owner  
Germain Group

**Sandra White**

*(until February 17, 2008)*  
Sandra White & Associates

**Liette Lacroix Kenniff****Chris Cahill**

*(until March 23, 2008)*  
President & COO  
Fairmont Hotels & Resorts

**Leah George Wilson**

*(since February 18, 2008)*  
Director, Treaty, Land and Resources  
Tsleil-Waututh First Nation

**Kosta Tomazos**

*(since February 18, 2008)*  
President  
Hospitality Investment and Management

**Scott Allison**

*(since March 24, 2008)*  
VP, Sales & Marketing  
Marriott Hotels of Canada

**Regional Representatives**

Newfoundland & Labrador and Nova Scotia

**Gina Noordhof**

Owner  
Norseman Restaurant and Gaia Art Gallery  
Newfoundland & Labrador

**Kelliann Dean**

Deputy Minister  
Nova Scotia Department of Tourism,  
Culture & Heritage

New Brunswick and Prince Edward Island

**Gordon MacInnis**

Owner & Operator  
Cavendish Maples Cottages  
Prince Edward Island

**Ellen Barry**

*(since May 9, 2008)*  
Deputy Minister  
New Brunswick Department  
of Tourism & Parks

Québec

**Alexander Reford**

Director  
Les Jardins de Métis Inc., Québec

**Louise Pagé**

Deputy Minister  
Ministère du Tourisme du Québec

Ontario

**Bhagwant S. Parmar**

Owner & Operator  
Travelodge Hotel, Days Inn Hotel  
and Quality Hotel & Conference Centre  
and Spa Royal Brock  
Brockville, Ontario

**Philip Howell**

*(April 11 - December 7, 2008)*  
Deputy Minister  
Ontario Ministry of Tourism and Recreation

Manitoba and Saskatchewan

**Van Isman**

*(since May 9, 2008)*  
Deputy Minister  
Saskatchewan Ministry of Tourism,  
Parks, Culture and Sport

**Shaun Harbottle**

Owner & Manager  
Crescent Beach Cottages, Manitoba

Alberta, Northwest Territories and Nunavut

**Boyd Warner**

Owner & Operator  
Bathurst Inlet Development  
Yellowknife, Northwest Territories

**Fay Orr**

*(until March 13, 2008)*  
Deputy Minister  
Alberta Ministry of Tourism,  
Parks, Recreation & Culture

**Bill Werry**

*(since June 18, 2008)*  
Deputy Minister  
Alberta Ministry of Tourism,  
Parks and Recreation

British Columbia and Yukon Territory

**Rod Taylor**

*(since April 11, 2008)*  
Owner & Operator  
Uncommon Journeys Ltd.  
Whitehorse, Yukon

**Bruce Okabe**

*(until August 31, 2008)*  
Deputy Minister  
British Columbia Ministry of Tourism,  
Sport & the Arts

Government of Canada

**Richard Dicerni**

Deputy Minister  
Industry Canada

## Committees of the Board

There are four standing committees of the CTC Board of Directors, established by the *Canadian Tourism Commission Act*:

- Executive Committee
- Nominating Committee
- Audit Committee
- Human Resources Committee

## Working Committee Chairs

According to the CTC's corporate bylaws, the Board of Directors may from time to time create working committees composed of such persons as it may deem necessary to advise it on any matters pertaining to the affairs of the Commission. There are currently six working committees chaired by and comprised of tourism industry leaders and experts. These Working Committees play a key role in fostering positive partnerships with the Canadian tourism partners by providing a structure to receive advisory input on particular program areas.



#### 2008 CTC Working Committee Chairs

##### Europe Marketing Committee

**Christena Keon Sirsly**

Chief Strategic Officer  
Via Rail Canada Inc.

##### Asia/Pacific Marketing Committee

**Brian Richardson**

Vice-President, Brand Marketing and  
Communications  
Fairmont Hotels & Resorts

##### Product Innovation and Enhancement Committee (renamed Brand Experiences Committee in September 2008)

**Stan Cook Jr.**

President  
Wilderness Newfoundland Adventures

##### Meetings, Conventions & Incentive Travel Marketing Committee

**Scott Allison** (until March 23, 2008)

Vice-President, Sales & Marketing  
Marriott Hotels of Canada

**Patrick Kelly** (since April 22, 2008)

President  
Ottawa Congress Centre

##### Research Committee

**Stephen Pearce**

Vice-President, Leisure Travel & Destination  
Management  
Tourism Vancouver

##### Americas Marketing Committee

**Marc Rosenberg** (until September 5, 2008)

Vice-President, Sales & Product Distribution  
Air Canada

**David Whitaker** (since September 29, 2008)

President & CEO  
Tourism Toronto

#### 2008 In-Market Advisory Committee Chairs

##### United Kingdom

**Bob Atkinson**

General Passenger Sales Manager,  
U.K. - Ireland  
Air Canada

##### France

**Patrice Caradec**

General Manager, Vacances Transat  
Transat A.T. Inc.

##### Germany

**Tilo Krause-Dünow**

Owner  
CANUSA Touristik GmbH & Co. KG

##### Mexico

**Cristina Vazquez**

General Director of Mexico and Latin America  
Air Canada

##### Japan

**Tak Kitamura**

Regional General Manager  
Grand Circle Corp.

##### Australia

**David Mulley**

Director  
Asia Pacific Travel Marketing

##### South Korea

**Young Lee**

General Manager  
Air Canada

## Appendix 3: Glossary

### Glossary of Terms & Acronyms

**Aided advertising awareness:** The percentage of respondents who identified seeing advertising related to travel or holidays to/in Canada, after having been prompted with a set of predetermined destinations, within a period of three months prior to survey.

**Aided brand awareness:** Average of aided destination awareness, aided destination consideration and aided advertising awareness.

**Aided destination awareness:** Percentage of international (long-haul) travellers who rate their knowledge of vacation opportunities in Canada as “excellent” or “very good” after having been prompted with a set of predetermined destinations.

**Aided destination consideration:** Percentage of long-haul respondents who are somewhat or very interested in visiting Canada in the next two years when prompted about Canada among a set of competitive destinations.

**Destination Marketing Organization (DMO):** A company or other entity involved in the business of increasing tourism to a destination or improving its public image.

**Employee engagement:** Employee engagement is calculated as the average score of the results of six questions in the annual employee survey.

**Equivalent ad value:** Means of converting editorial space in the media into the cost to have directly purchased an equivalent ad space or air-time. Pricing is published or identified by the specific television, radio & print mediums through which the article or show will be viewed.

**Explorer Quotient™ (EQ):** An innovative research tool that identifies the underlying emotional motivators of travellers beyond traditional demographics like age and geography.

**Extent that organizational values are embedded in culture:** Employee understanding of organizational values and that these are articulated in work as self-identified through the annual employee survey.

**International tourism revenue:** Spending by foreign visitors on Canadian-produced tourism goods and services, including spending that may take place outside of Canada, such as the purchase of an airline ticket from a Canadian international carrier, to travel to Canada.

**International tourist arrivals:** Total number of arrivals (not persons) in Canada who are overnight visitors staying at least one night in a collective or private accommodation. Note: A person who makes several trips to Canada during a given period will be counted as a new arrival each time.

**Market Investment Model (MIM):** CTC research model that suggests optimal resource investment allocations for selected markets against market conditions.

**Market Portfolio Analysis (MPA):** CTC research model that rates and ranks a broad range of markets against their potential based on relative market conditions.

**Media or Public Relations (PR) impressions:** The number of people who might have had the opportunity to be exposed to a CTC-initiated story that appeared in print media; usually the total audited circulation of a publication.

**Opt-ins to database:** The number of consumers who proactively agree to receive further information (e.g. periodic newsletters, promotional communication) via e-mail from the CTC and/or its partners.

**Provincial Marketing Organization (PMO):** A provincial entity involved in the business of increasing tourism to a province or improving its public image.

**Tourism employment:** Measure of the number of jobs in an industry generated by, or attributable to, tourism spending on the goods and/or services produced by that industry. It is based on an estimate of jobs rather than “hours of work.” Thus, someone who works 10 hours a week counts for as much, by this measure, as someone who works 50 hours a week.

**Tourism export revenue:** Total international tourism revenue, calculated by subtracting domestic tourism revenue from total tourism revenue.

**Tourism Gross Domestic Product (GDP):** Unduplicated value of production, within the boundaries of a region, of goods and services purchased by tourists.

**Tourism revenue:** Spending of Canadian and foreign visitors on domestically produced commodities, as reported by Statistics Canada as total tourism demand in the Canadian Tourism Satellite Account. It is the sum of tourism domestic demand and tourism exports.

**Tourist receipts:** Expenditures made by visitors from abroad generated by overnight trips, as reported by Statistics Canada as overnight international trip spending.

**Unaided advertising awareness:** The percentage of unprompted respondents who identified seeing advertising related to travel or holidays to/in Canada within a period of three months prior to the survey.

**Unaided brand awareness:** Average of unaided destination awareness, unaided destination consideration and unaided advertising awareness

**Unaided destination awareness:** Percentage of international (long-haul) travellers who mention Canada as an international vacation opportunity through an unprompted response.

**Unaided destination consideration:** Percentage of long-haul respondents who are seriously considering a trip to Canada within the next two years. Respondents are asked to identify up to three countries.

### Acronyms

<b>ATC</b>	Aboriginal Tourism Canada
<b>B2B</b>	Business-to-Business
<b>BSC</b>	Balanced Scorecard
<b>CBI</b>	Country Brand Index
<b>CEO</b>	Chief Executive Officer
<b>CITM</b>	China International Travel Mart
<b>CRM</b>	Customer Relationship Management
<b>CSP</b>	Canada Specialist Program
<b>CTC</b>	Canadian Tourism Commission
<b>DMO</b>	Destination Marketing Organization
<b>EQ</b>	Explorer Quotient
<b>FAM</b>	Familiarization
<b>GDP</b>	Gross Domestic Product
<b>GTW</b>	Global Tourism Watch
<b>HR</b>	Human Resources
<b>HSMAI</b>	Hospitality Sales & Marketing Association International
<b>MC&amp;IT</b>	Meetings, Convention & Incentive Travel
<b>MIM</b>	Market Investment Model
<b>MOU</b>	Memorandum of Understanding
<b>MPA</b>	Market Portfolio Analysis
<b>MPI</b>	Meeting Professionals International
<b>OTMPC</b>	Ontario Tourism Marketing Partnership Corporation
<b>PMO</b>	Provincial Marketing Organization
<b>PR</b>	Public Relations
<b>R&amp;D</b>	Research & Development
<b>RFP</b>	Request for Proposals
<b>RIM</b>	Return on Investment Model
<b>ROI</b>	Return on Investment
<b>RVC</b>	Rendez-vous Canada
<b>SMC</b>	Senior Management Committee
<b>SME</b>	Small and Medium-sized Enterprise
<b>UNWTO</b>	United Nations World Tourism Organization
<b>USB</b>	Universal Serial Bus
<b>VJP</b>	Visiting Journalist Program
<b>WTM</b>	World Travel Market





Cavendish  
Prince Edward Island

Tourism PEI  
Russell Monk



Saskatoon  
Saskatchewan

Tourism Saskatchewan

Douglas E. Walker







Banff & Jasper  
Alberta

Canadian Tourism Commission



Newfoundland and Labrador

Canadian Tourism Commission







Yellowknife  
Northwest Territories  
Northwest Territories Tourism







Cape Dorset  
Nunavut  
Nunavut Tourism





CANADA  
Host Pays  
Country hôte

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