

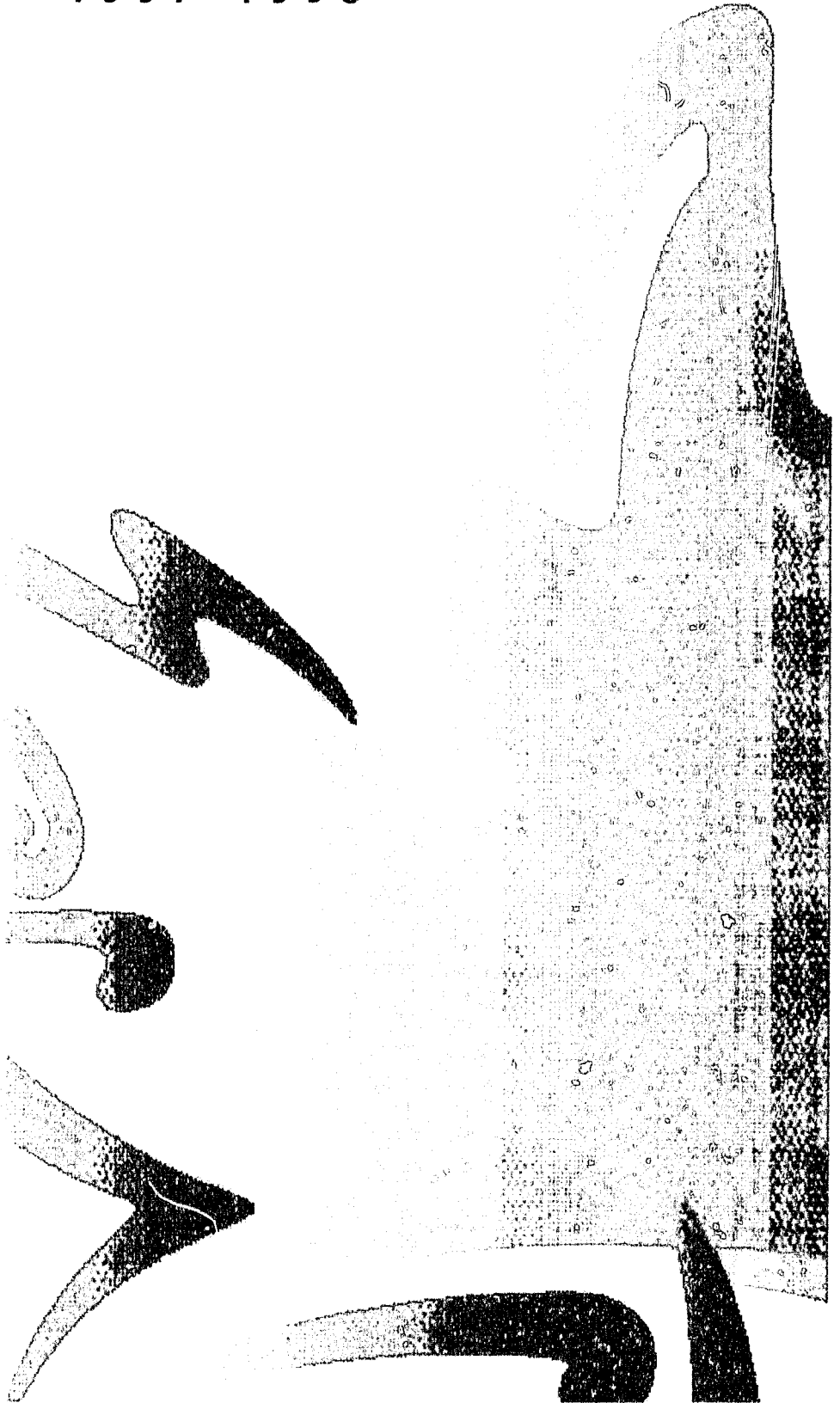
# Annual Report

## Achieving Critical Mass

1997-1998



CANADIAN TOURISM COMMISSION



Canadian Tourism Commission

Annual report 1997 - 1998

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John C. Outhouse, CTC

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Luce Raymond, CSA

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Steff Sentences

French adaptation:

Jeanne Leduc, L'Espresso, Textad

Photography:

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## THE CANADIAN TOURISM INDUSTRY

### *Vision*

Canada will be the premier four-season destination to connect with nature and to experience diverse cultures and communities.

### *Mission*

Canada's tourism industry will deliver world class cultural and leisure experiences year-round, while preserving and sharing Canada's clean, safe and natural environments. The industry will be guided by the values of respect, integrity and empathy.

## THE CANADIAN TOURISM COMMISSION

### *Mission*

To promote the growth and profitability of Canada's tourism industry.

### *Mandate*

To plan, direct, manage and implement programs that generate and promote tourism in Canada.

### *Strategy*

To market Canada as a desirable travel destination and to provide timely and accurate information to the tourism industry that assists in their decision making.

# Minister of Industry

Since 1993, the Government of Canada has been steadily working with Canadians to build a more innovative economy. The government had a clear goal in creating the Canadian Tourism Commission: to increase Canada's share of the world tourism market and, by bringing more tourism dollars to Canada, to create jobs and growth for all Canadians.

The tourism industry is the twelfth largest sector in our economy and it has played an important role in our strategy. With the leadership of the Canadian Tourism Commission, an innovative partnership that brings together the diverse elements of Canada's tourism industry, this strategic sector has become much more effective.

Over the past decade, tourism growth has consistently outpaced most industrial sectors in Canada. Tourism now employs over half a million people. It makes a very significant difference to the economic and social fabric of Canada. Our strategy is paying off.

With the launch of the Canadian Tourism Exchange (CTX), Canada's tourism industry is taking another major step into the dynamic information economy. Through the competitive use of the market intelligence now available, Canadians have another of the tools that are critical for Canada to be competitive in world tourism markets.

Since its creation by the federal government in 1995, the Canadian Tourism Commission has become synonymous with the tourism sector in Canada. In fact, Canada has now reached ninth place among the most desirable destinations in the world. The industry's marketing programs, coupled with the joint cooperation between public and private partners, has resulted in more and better business for Canadians in this crucial sector.

I am proud to present this annual report to the Parliament of Canada. The success of the Commission is an example of innovation driving growth in a sector in which we have only begun to realize Canada's potential. I have no doubt that future reports will continue to demonstrate the CTC's positive impact on economic growth in Canada.



A handwritten signature in dark ink, reading "John Manley". The signature is stylized, with the first letters of the first and last names being prominent.

John Manley

## Chairman of the CTC



Successfully marketing Canada inside and outside our borders depends on partnerships with the private sector and with various levels of government. The work of the entire Canadian Tourism Commission team has been very productive indeed. The CTC model is working better than anyone anticipated.

The result is clear. Tourism produces dividends for all Canadians, with increased revenues, more jobs, and more satisfied customers. Our "industry led, market driven" approach works. Industry watchers consider the Commission an essential forum for the broad range of players to address common issues facing the tourism industry in Canada.

Tourism is a huge industry world-wide. It has a broad impact on the economy because it engages elements of many other industrial sectors. Construction, agriculture, communications, real estate, fisheries, and transportation to name but a few are part of the intricate industrial web that is affected by tourism. Spin off employment adds greatly to the more than half million people who work directly for mostly small and mid-sized businesses across the country.

Tourism spending in Canada reached \$44 billion in 1997—a 5.3% increase over the previous year. Canadians travelling within Canada accounted for more than \$31 billion of that amount. Tourism spending by visitors from abroad rose by more than 8% per year over the past decade, reaching \$12.7 billion in 1997 with a total of 17.6 million overnight trips to Canada.

Serving as Chairman through another year of major success for the CTC is a rewarding experience. I know together we will have many more successes as we continue to improve the infostructure and infrastructure that is the fabric of this dynamic growth industry.

A handwritten signature in cursive script that reads "Judd Buchanan".

The Honourable Judd Buchanan

# President of the CTC

Three years of hard, fruitful work.

Hard work of the Canadian Tourism Commission's industry-led board of directors, its volunteer-based committees, and the dedicated people in Canada and around the world.

Add to that mix the confidence and support of CTC's partners, including the federal government in providing core funding and a blessing. We are achieving critical mass.

The three years, and especially this past year, has not been without growing pains. Together we discovered what works and what sometimes doesn't. We adapted as situations and markets evolved. The U.S. and Asian markets come quickly to mind as does the maturing Aboriginal program taking on a new life.

Canada is a world leader in tourism research and we are getting better at putting in the industry's hands the intelligence they need to make business decisions.

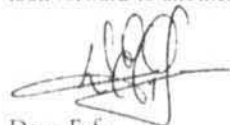
One innovative way the Commission connects the industry is through information technology, such as the Internet-based Canadian Tourism Exchange, a natural extension of applying electronic commerce to more than reservation systems and customer account processing.

Joining us in January 1998 from the Department of Foreign Affairs and International Trade, the CTC's new sales force of 67 dedicated people in 23 offices around the world helps carry out our industry-designed and approved marketing programs. These tourism professionals deal with partners in their country on a day-to-day basis and provide our industry and product development people in Ottawa with commercial intelligence our industry needs to compete on the international front.

A pivotal year awaits us. We are looking at new and better ways to respond to the needs of the industry in marketing Canada as a preferred international destination. We are moving closer to making the industry's vision a reality over the coming year by:

- Attracting more first-time U.S. leisure visitors and increasing U.S. leisure and business travel revenues;
- Increasing market share for Canada of the overseas long-haul market;
- Improving the quality of tourism products;
- Expansion in established markets and developing new ones through partnered marketing programs; and
- Maintaining outbound travel at current levels.

It is a privilege to participate in the growth of this Commission, and I look forward to another successful year with our partners.



Doug Fyfe



## CANADA: THE CANADIAN TOURISM COMMISSION'S Premier Product

The Canadian Tourism Commission is in business to market a differentiated product: Canada.

From whale watching and beachcombing along Canada's shores to art exhibits and restaurants in its urban centres to the prairie skies and the mountains of its interior, the potential to market and tell the story of Canada within and outside its borders is boundless.

The CTC, formed in 1995, continues to exploit the infinite possibilities of tourism in Canada and the country as a tourist destination. It does the job well.

Through unique public- and private-sector partnerships and core funding from the federal government, the CTC leads the promotion of Canada as a premier tourist destination. It also conducts marketing and macro-economic research to measuring the revenue and employment impact of tourism in Canada.

Its success is based on its novel structure. Six marketing committees chaired by industry representatives develop strategies that promote Canada to five critical markets: U.S. Leisure, U.S. Business Travel, Europe, Asia/Pacific and Canada. The sixth marketing committee, the Aboriginal Tourism Program, has worked to promote the uniqueness of Canada's aboriginal cultures.

Two other industry-led programs fall under the umbrella of Industry Competitiveness: Research, which provides comprehensive data to the industry, and Industry and Product Development, which works with the tourism industry to develop products to market and compete for Canada.

The CTC recognizes that tourism is not only one of the fastest growing international industries, it is also big business for Canada.

### 1997 World's Top 20 Tourism Destinations

Country by Rank	Int'l Tourist Arrivals 1997 (Thousands)
1 France	66,800
2 United States	49,038
3 Spain	43,403
4 Italy	34,087
5 United Kingdom	25,960
6 China	23,770
7 Poland	19,514
8 Mexico	18,667
9 Canada	17,610
10 Czech Republic	17,400
11 Hungary	17,248
12 Austria	16,642
13 Germany	15,828
14 Russian Fed.	15,350
15 Switzerland	11,077
16 China, HK-Sar	10,406
17 Greece	10,246
18 Portugal	10,100
19 Turkey	9,040
20 Thailand	7,263
Total 1-20	439,449
World Total	612,835

Source: World Tourism  
Organization

## STORIES OF JOBS, GROWTH, Challenges and Success

The story of tourism in Canada is a compelling one. Without exaggeration, the Canadian Tourism Commission can claim—based on hard facts—that tourism in this country is an important industry, one with tremendous potential.

Tourism creates a whole range of jobs, from seasonal to skilled work, for Canadians. More than that, tourism is a modern and exciting industry that is proud to show off Canada to Canadians and the rest of the world. The CTC is in business of telling the stories of tourism successes and of ensuring the industry continues to evolve and grow. So far, so good:

- Tourism is a leading growth sector in the Canadian economy. On average, tourism expenditures grew by 5 percent per year for the past decade. Over the past decade tourism expenditures in Canada (measured in constant dollars) increased by 25.5 percent, almost two percentage points greater than the Gross Domestic Product for Canada in general.
- Tourism spending in Canada reached \$44 billion in 1997, a 5.3 percent increase over the previous year. The Canadian economy grew by 4.2 percent as measured by the GDP.
- Canadians travelling in Canada put more than \$31 billion into the Canadian economy in 1997. Domestic tourism has risen by 22 percent since 1991.
- The tourism industry created jobs at twice the pace of Canadian business during the period from 1986 – 1996, almost double the 12 percent increase for Canadian business.
- Canadian tourism directly employed more than 500,000 people in 1997 who worked for a variety of primarily small and mid-sized tourism businesses across the country.
- Canada is ninth of the top world tourist destinations. The number of tourists to Canada surpassed 17.6 million in 1997.
- Tourism spending by visitors increased by more than 5.2 percent per year over the past decade to \$12.7 billion in 1997.
- Government revenues raised by tourism amounted to \$13.6 billion in 1997, or roughly 31 cents of every tourism dollar spent in Canada.

### 1997 World's Top 20 Tourism Earners

Country by Rank	Int'l Tourism Receipts 1997 (US dollars Millions)
1 United States	75,056
2 Italy	30,000
3 France	27,947
4 Spain	27,190
5 United Kingdom	20,569
6 Germany	16,418
7 Austria	12,393
8 China	12,074
9 Australia	9,324
10 China,HK-Sar	9,242
11 Canada	8,928
12 Thailand	8,700
12 Poland	8,700
13 Singapore	7,993
14 Switzerland	7,960
15 Mexico	7,530
16 Russian Fed.	7,318
17 Turkey	7,000
18 Netherlands	6,597
19 Indonesia	6,589
20 Belgium	5,997
Total 1-20	323,525
World Total	443,770

Source: World Tourism  
Organization



## SEIZING THE OPPORTUNITY: Marketing Canada

The Canadian Tourism Commission and Canadians alike know and appreciate the beauty of Canada—small towns, exciting cities and the great outdoors—that makes our country the place to visit. But that's not enough. The competition for tourists' dollars is intense.

International tourism is a US\$444 billion industry. The CTC is in business to make sure Canada gets a substantial piece of it. Indeed, the CTC is aggressively marketing to ensure the word gets out to the rest of the world and Canadians that Canada is a desirable, world-class holiday destination offering great value-for-money for all ages and all budgets.

Some of the challenges in doing this are:

- Responding to changing economic and other situations in primary markets.
- Maintaining a long-term marketing strategy in Asia/Pacific region in light of the economic situation.
- Taking advantage of growing secondary and tertiary markets such as Mexico and Brazil.
- Integrating the Aboriginal Tourism Program into the geographic marketing programs.

Considerable efforts are being made, through strategic partnerships with the tourism industry, to turn the challenges into opportunities.

### The Transfer to Tourism

#### A CTC Success Story

A dynamic—and diplomatic—67-person sales team strategically situated in 23 cities around the globe is dedicated to a single cause: selling Canada to the world. In January 1998 the Canadian Tourism Commission acquired this team of professionals from the Department of Foreign Affairs and International Trade. The CTC is now able to direct a team totally committed to and focused on selling Canada as a world-class tourist destination.

## Marketing Programs Results

	1997	1996	Change
<b>US Leisure</b>			
Trips	11,302,100	10,938,500	3.3%
Receipts	\$4.03 billion	\$3.91 billion	3.1%

<b>US Meeting &amp; Incentive Travel</b>			
Trips	2,099,200	1,970,100	6.6%
Receipts	\$1.12 billion	\$1.24 billion	6.4%

<b>Europe*</b>			
Trips	2,260,100	2,287,700	-1.2%
Receipts	\$2.34 billion	\$2.32 billion	0.9%

<b>Asia/Pacific*</b>			
Trips	1,575,100	1,701,700	-7.4%
Receipts	\$1.70 billion	\$1.76 billion	-3.4%

<b>Canada</b>		Intraprovincial	Interprovincial
Trips	66,107,000	52,546,000	13,561,000
Receipts	\$13.1 billion	\$6.8 billion	\$6.3 billion

<b>Travel by Canadians to US</b>			
Trips	15,127,000	15,300,700	-1.1%
Payments	\$8.17 billion	\$7.92 billion	3.2%

\* Includes Asia and Oceania

Notes:  
All trips are for one or more nights.  
Spending in \$CDN.

Sources:  
International Travel Survey  
Canadian Travel Survey

Recognizing the uniqueness and appeal of Canada's aboriginal cultures, the CTC and its partners have developed a program to promote and market aboriginal tourism. The program involved assessing and identifying suppliers with export-ready products; it has evolved and matured. Now, rather than operating as a separate program, its elements are being incorporated into the five critical geographic marketing programs, ensuring aboriginal tourism is promoted across all sectors.

Aboriginal Tourism Team Canada (ATTC) will assume the lead role in marketing aboriginal tourism. Market research continues to show a keen interest and demand for it. The challenge remains to ensure consistency of product in order to attract repeat visitors to this ensemble of unique cultures.

The transition from the old program to a new and revitalized one, featuring the ATTC, means growing pains. The challenge is to work through these to develop an attractive and lucrative tourism sector.

## Shopping for Canada

### A CTC Success Story

Over four million readers of the Sears spring catalogue were shown more than images of models wearing the latest fashions. They saw images of Canadian landscapes as part of a partnership developed between the CTC and Sears. The major department store used these Canadian photographs as backdrops for the fashion section and two promotional inserts. Sears also used an image of Newfoundland on its front cover. Information about the photos was provided on the pages as well as the CTC logo as part of Sears' "Canada. Take Another Look" campaign. This \$1.3 million partnership with Sears was a first. It's the type of imaginative and non-traditional alliances being developed more and more by the CTC.

## U.S. LEISURE MARKETING

### PROGRAM

**Focus:** A gold mine sits just south of our borders in the single largest tourism market in the world, the U.S. leisure market. The CTC's focus concerns targeting the most promising customers: affluent, middle-aged and mature travellers. Increasing the numbers of tourists, especially first-time visitors, and, thereby, growing revenues is also a big focus. The CTC is pushing south and west in an effort to encourage not just those Americans hugging our borders, but those from farther afield to come to Canada.

**Actions:** The CTC and its partners aggressively marketed Canada to a number of U.S. markets, through an integrated communications program consisting of print advertising, direct mail, special events and promotions. Television advertising shifted to specialty channels, which offer good value and where audience members represent the traveller whom the CTC is trying to attract.

**Results:** More than 11.3 million American tourists came to Canada in 1997, a 3.3 percent increase over 1996. Of those tourists, more than half had visited Canada before in the past three years. Revenue increased to \$4 billion, a 3.1 percent increase over 1996.

**Challenges:** The CTC's top challenge in this market is to redouble its efforts in raising Americans' awareness of Canada as a varied and exciting holiday destination that with their strong dollar works for every budget and age group.

**Looking ahead:** Canada will be promoted as a four-season destination, through more frequent print and television advertising, emphasizing winter activities in cities and resorts in addition to strong ski, snowboarding and snowmobiling products.

## U.S. MEETINGS AND

## INCENTIVE TRAVEL

## MARKETING PROGRAM

**Focus:** More than two million American business travellers came to Canada in 1997, spending over \$1.3 billion. Increasing the numbers of these deep-pocketed travellers to Canada through communication is the key. U.S. companies and their executives must know that Canada is open for business travellers. A convention in Canada offers added value. Canada offers a refreshingly different culture in our calm, comfortable, safe, service-oriented, world-class venues.

**Actions:** Advertising and direct mail campaigns focused on building Canada's image were replaced this year by strategic campaigns that concentrated on creating business results for CTC's industry partners. This is what the industry wanted and it's what the CTC is delivering through two to four page inserts about convention possibilities in Canada in targeted U.S. meeting and convention planning publications.

**Results:** A booming American economy and a strong U.S. dollar were two important factors that resulted in revenue growth up 6.4 percent to \$1.3 billion and an increase in the number of visitors, up 6.6 percent to 2 million. The direct-mail efforts and targeted communications also helped produce these results.

**Challenges:** Getting the word out is simple, acting on it is difficult. American companies, senior executives and their staff need to be made aware, then reminded repeatedly, of the potential and value of travelling a little farther north.

**Looking Ahead:** The CTC is developing a comprehensive and creative communications plan that uses direct mail, telemarketing and winter advertising to reach its forecast goals of 2.2 million business travellers and \$1.35 billion in revenue for 1998.

**Focus:** Many Canadians believe the perfect holiday features a palm tree; so marketing Canada to Canadians is no easy task. Communicating the benefits of travelling within our borders and offering more attractive vacation opportunities would help to make Canadians trade that palm tree for a Douglas Fir. Canadians take an average 5.4 trips every year. Studies show that up to 12 percent of Canadians now travelling abroad would consider travelling at home if made aware of the vacation opportunities. This would result in between \$400 – \$800 million in potential revenue.

**Actions:** The Canada marketing program is aimed at heightening Canadian awareness of the value of travelling here at home. A national television campaign with Ford Canada promoting the country as an alternate destination to the U.S. was extended for a second year. Over 3.5 million Canadians were reached through a series of inserts placed in newspapers across the country advertising off-peak travel.

**Results:** Total overnight travel by Canadians within Canada was down by 7.6 percent in 1997 to 66.1 million trips. However, inter-provincial overnight travel—the focus of the domestic marketing program—rose 1.1 percent to 13.6 million trips. Canadians travelling to another province or territory accounted for almost half of the total Canadians spent on travelling at home. Canadians took 1.1 percent fewer overnight trips to the U.S. in 1997 for a total of 15.1 million trips. As well, Canada's travel deficit with the U.S. dropped by 8.2 percent to \$3.1 billion.

**Challenges:** There is one challenge only: to encourage Canadian travellers to travel in Canada by working with the industry to provide a wider range of year-round vacation options. Over 15 million Canadians travelled to the U.S. last year; this year's strategy is to see that number decrease by one percent.

**Looking ahead:** CTC-partnered studies indicate Canada is the favoured destination of 63 percent of study respondents. Canadian intention to travel is up and Canadians will make 12.1 million person-trips of one or more nights in the summer of 1998. This represents a 5.2 percent increase over 1997. To capitalize on this, VIA Rail and Home Hardware will team with the CTC in major new advertising and promotional campaigns.

When we Canadians think of Mexico or Brazil, we think hot weather, exotic locations, beaches—and we think of going there. One of the CTC's challenges is opening the Mexican, Brazilian and Argentinian markets to Canada; selling Latin Americans on Canada as a tourist destination that offers great shopping, entertainment, skiing and other leisure activities and is safe, clean and friendly. Nearly 175,000 visitors from Mexico, Argentina and Brazil visited Canada in 1997. The CTC is planning to increase that by 10,000 in 1998. Among the ways in which the CTC plans to spread the word and encourage more visitors is by participating in the Brazil Ski Show '98, a massive trade forum that attracts about 50,000 people.

## ASIA/PACIFIC MARKETING

### PROGRAM

**Focus:** Anne of Green Gables and snow-covered mountains aside, the number of Asian tourists to Canada has dropped off as a result of the economic situation in Asia. The CTC's focus is to continue to build awareness of Canada as an attractive holiday destination and ensure it is in the best position to accept thousands of Asian travellers when the turnaround happens. The CTC will also concentrate on directing efforts toward secondary markets such as South Korea, Hong Kong, Taiwan and Australia.

**Actions:** The CTC worked aggressively in Japan using high-tech networks to increase educational trade activities. An office was established in Singapore to direct sales activities in the Asia/Pacific region and develop tourism potential in the Southeast Asian markets.

**Results:** The economic downturn in Asia had a significant impact. Revenues and travel were well below targets—overnight travel to Canada was down 7 percent over 1996 and revenues dropped 3.4 percent to \$1.7 billion. Good news, however, is that those who did travel from Asia continued to spend here—over \$1000 per trip to Canada.

**Challenges:** A creative approach to pricing, packaging and developing new products is key to continue to attract price-conscious Asian tourists. The CTC must also encourage travel in off-season or shoulder season times. More than 45 percent of Asian visitors to Canada came during the summer months.

**Looking Ahead:** Critical to the CTC's long-term strategy in this market is maintaining our presence with partners in Asia during the economic downturn. Comprehensive communications plans in which Asian journalists, media crews and travel agents are invited to try new products or visit certain regions will be continued in the coming year. The benefits are enormous—an investment of several thousand dollars by the CTC for several hundreds of thousands of dollars in free advertising and coverage.

## EUROPE MARKETING

### PROGRAM

**Focus:** For Europeans, Canada is not unlike the U.S., boasting a modern culture, wide-open spaces and breath-taking scenery. What differentiates us from them, however, is that Canada is considered to be safer and unspoiled. Nearly 2.3 million Europeans visited Canada in 1997, spending \$2.3 billion. The CTC's focus is to increase that to nearly \$2.5 billion in 1998, and increase Canada's share of the long-haul market from the United Kingdom, France and Germany faster than major competitors such as the U.S., Australia, New Zealand and South Africa.

**Actions:** For the first time ever, the CTC launched a full slate of television advertising in its three largest European markets – the United Kingdom, France and Germany. As well, the CTC opened overseas offices in Belgium, the Nordics, Austria and Israel to complement existing offices in London, Paris, Dusseldorf and The Hague. These offices promote Canada's image abroad and improve our positioning as a tourist destination.

**Results:** Positioning Canada as a winter vacation spot paid off in 1997 as European visits increased by 1.3 percent. These gains, however, were offset by a loss of 1.6 percent in peak season visits. Joining past successes with telephone card companies, clothing retailers, banks and supermarkets, new partnerships were successfully formed with La Fuma, an activewear manufacturer in France, American Express in the U.K. and Mövenpick in Germany.

**Challenges:** With the exception of the U.K., all of Canada's European market countries joined the Economic Union. As the EU renews and sustains economic growth and consumer confidence, several unknowns still lie on the horizon such as the extent and duration of the Asian situation's effect on exports from Europe, and the impact of the single European currency on tourism consumers and trade.

**Looking Ahead:** Strategically targeting affluent tourists and encouraging all regions of the country to participate in communications campaigns are what the CTC is planning for next year. Marketing Canada as a winter destination and building more shoulder season tourism opportunities will also be a focus of the coming year.

## MARKETING OVERVIEW

### The China Agreement

#### A CTC Success Story

Always on the lookout for ways in which to increase tourism in Canada and recognizing the great potential for tourism from China, the Canadian Tourism Commission signed a Memorandum of Understanding with the National Tourism Commission of the People's Republic of China in November 1997. The two organizations agreed to encourage and promote business co-operation, exchange information and tourism materials and help in establishing tourism offices in each other's country.

### Telling Our Story in Germany, the infomercial

#### A CTC Success Story

The Canadian Tourism Commission took to the German airwaves this year launching the first-ever infomercial featuring tourism in Atlantic and Central Canada. The response to the ad proved highly effective. For instance, 14 percent of surveyed television viewers recalled seeing the ad, a far better response than the number who remembered seeing magazine advertising about Canada last year (three percent). Results show too that about 11 percent of viewers booked a trip to Canada after seeing the ad; 24 percent said they were very likely to visit Canada in the next 12 months.

## POSITIONING CANADA: PLAYING AND WINNING Against the Big Guys

It's not enough to have crystal clear lakes, mountains deep in powder snow or world-class museums. In a world hungry for tourist dollars a small country such as Canada needs to position itself carefully and strategically to compete and ultimately win against the big guys, the biggest of whom shares our southern borders.

The Canadian Tourism Commission and its industry partners are working hard not only in marketing Canada as a premier tourist destination but in ensuring Canada is a key player in the global tourism marketplace. They achieved this through the Industry and Product Development Program.

Working with the tourism industry to position and package Canada as a desirable, year-round tourist destination is a major focus of the Canadian Tourism Commission. By helping the industry to astutely develop and package products the CTC ensures that Canada's tourism industry is ready and able to appeal to global demand.

The Industry and Product Development group knows that to compete globally and to help small and medium-sized businesses compete, it has to bundle Canada's natural splendour, its cultures and world-class entertainment into attractive and affordable tourist packages.

### **Product Clubs**

Several years ago, the CTC launched the Product Club program to help small and medium size tourism businesses. The program encourages partnerships and networks of these businesses to increase the range and quality of tourism products in Canada.

Six new product clubs were formed bringing to 18 the number of clubs across the country: the Adventure Product Club, the Bay of Fundy Product Club, Urban Cultural Tourism Product Club, Heritage Product Club, Northern Wilderness Adventure Product Club and the Cross-Country Ski Product Club.

The Product Club program continues to be a success for the CTC as an independent evaluation of the club program recently confirmed.

### **Winter tourism: The Snow Spin**

Canadian winters are cold and snowy; no getting around that. The CTC sees an opportunity to exploit Canada's ability to do winter well.

With this in mind, the committee heading Industry and Product Development created a Winter Product Task Force of industry members and held an International Forum on Winter Tourism in Quebec City in February 1998. The forum, attended by industry representatives from Canada and abroad, was part of a series of initiatives launched by the CTC in 1996 to address seasonality and create ways of increasing winter tourism.

The impressions of Canadian winters are positive: U.S. tourists see coming to Canada in winter as a clean, safe, family holiday. Europeans look at Canada as having wonderful outdoor activities at a good price; the Japanese enjoy Canadian service saying it has the "human touch".

The forum also uncovered some difficulties. For example, there are insufficient number of flights into Canada in the winter and limited transportation between regions and cities.

As a result of the forum several foreign tour operators expanded their winter product to Canada.

### Investment in Tourism and other Issues

The Tourism Investment Fund, administered by the Business Development Bank of Canada (BDC), was launched with the CTC in July 1997. Over the next five years up to \$500 million will be injected into high-quality resort developments outside the major urban centres through this loan program. As of February 1998, the BDC approved 16 applications amounting to approximately \$18.7 million in loans to operators who are upgrading their facilities to create higher end products and expanding their businesses beyond a single season.

The Industry and Product Development group held a series of meetings on tourism financing and investment with other federal departments and with regional agencies to get a better picture of investment in the industry and of the assistance programs currently available. The group also published "A Road Map to Tourism Financing," a guide for small and medium size businesses.

Two studies were conducted jointly with Transport Canada on tourism-related issues. One looked into the feasibility of developing a passenger information system while the other examined approaches to intergovernmental and private sector co-operation in the planning of intermodal transportation.

### Adventure, Ecotourism and Culture

The Industry and Product Development group held six workshops for adventure travel and ecotourism operators to get buy-in on an industry-developed strategy. Thirty-two recommendations were formulated for action by the industry.

Jointly with the Department of Canadian Heritage, the CTC brought key culture and heritage tourism players together to find new and creative ways they could work together to develop new product. The six regional roundtables culminated in a national meeting where a national vision was articulated for cultural/heritage tourism.

Reports on the performance of the accommodation, attractions, and travel service sectors of the industry were prepared and distributed to the industry in the Industry and Product Development group's continued efforts to provide the tourism industry with information for decision-making.



The stylized maple leaf of the Canadian Tourism Commission travels well—and often—floating through the skies of North America as the CTC's hot air balloon. The leaf is also being worn by domestic and international tourists, displayed on the clothing they purchased. Licensing agreements brokered by the CTC with Canadian companies is just one of the many areas in which the program works to enhance CTC and Canada-brand visibility.

In keeping with its industry-led focus, the CTC turned over the management of its foremost Canadian travel trade show Rendez-Vous Canada to the Tourism Industry Association of Canada under a five-year agreement.

### The Conservation Lands Product Club

#### A CTC Success Story

One's eyes are immediately drawn to the raptor's wing, rising higher, higher and higher. It is the perfect symbol for the Conservation Lands Product Club, an alliance of five Conservation Authorities in southern Ontario that create, promote and package ecotourism experiences.

The Conservation Lands Product Club has over 50 partners, from canoe outfitters and llama trek operators to country inns and Niagara wineries, who pay yearly membership fees to be part of the club. With access to the services of these partners, club operators are able to design custom tour packages from fly-fishing for brown trout in the Grand River to rappelling off Rattlesnake Point.

"We could not have undertaken this initiative without the CTC's support," says Steve Bruno, the club's project manager.



# Research

## Economic Impressions of the Impressionist

A CTC Success Story

For the CTC and its partners, the department of Canadian Heritage and the National Gallery of Canada, the Renoir exhibition was more than a study of the 61 of the French Impressionist's paintings. It provided an opportunity to look at the economic impact of a major tourism event on a region.

It found that nearly 340,000 people viewed the exhibition and about 600,000 visitors came to the gallery during the summer period, doubling the attendance for that period in other years. The economic spin-offs from the event were impressive. Area restaurants reported sales increases of over \$10.7 million, hotels and other commercial accommodations increased revenues by nearly \$7.2 million and about \$6 million went to the retail sector. The study itself is a model for other municipalities and regions that want to take a look at the economic impact of major events in their backyards.

Information is power and power is what the CTC provides the industry through a \$6.5 million Research Program, arming industry with knowledge and tools they need to compete world wide. With the latest research on trends, prices, industry nuances and travel patterns, the CTC's marketing committees can build action plans on solid ground. The Research Program is the cornerstone where all other programs meet. Its aim is to improve the availability, quantity and credibility of the information that influences industry decision-making.

The Research Program contains four key projects:

1. The Tourism Satellite Account is a database that defines and measures the tourism economy of Canada and provides a clear vision of its components. It identifies which component industries benefit from tourism and by how much. Canada is the first country in the world to publish such an account.
2. The National Tourism Indicators allow the industry to track tourism figures and identify changing patterns. They provide quarterly and annual results on supply, demand and employment in the tourism industry.
3. The Canadian Travel Survey provides valuable data on why, how and where Canadians travel within Canada.
4. The International Travel Survey tracks the travel habits of international tourists to Canada.

The Research Program published 14 new reports this year including studies outlining the impact of a major exhibition on the local economy, forecasts of international travel, and trade-market studies in three key markets: Spain, South Korea and Brazil.

The coming year will be as dynamic and productive for the Research Program. It will release an updated version of the Tourism Satellite Account, a major report on government revenues from tourism in Canada and a detailed study of seasonality in the industry.

## THE CANADIAN TOURISM EXCHANGE: The Tourism Connection

Rhys Harnish's Dauphinee Inn is situated on a hill overlooking the quiet Bay of Hubbards, a small fishing village on the south shore of Nova Scotia. Harnish is well-connected in Hubbards, his family has lived and worked in the village since the late 18th century. Now he's even better connected, linked with nearly 900 other tourism operators across the country through CTC's new Canadian Tourism Exchange (CTX).

Through the computerized network of the CTX, Harnish and his colleagues – large, medium and small tourism operators – can exchange ideas, network and keep up with industry developments. Together they can create business opportunities and position themselves to successfully compete in the new millennium.

"It's great to have a connection to the rest of the industry," says Harnish who would often hear of new tourism developments second or third hand.

The CTX was launched in March 1998 as a pilot project. It is a Canadian first and no other country can boast such connectivity for its tourism industry. More than an Internet website, it is a communications tool linking websites, providing information such as industry statistics, surveys and market intelligence reports and simply providing up-to-minute information to industry players.

The Tourism Reference and Documentation Centre manages one of the largest collections of information on the Canadian tourism industry in the world and handles more than 10,000 inquiries a year. This year the Centre partnered with the National Library of Canada to store and catalogue its pre-1988 publications, preserving them for their historical value and keeping them available for researchers.

The CTC as publisher of *Communiqué, Canada's Tourism Monthly*, worked with the private sector to extend its distribution to the industry. Circulation almost tripled, from 12,000 to about 32,000. The magazine changed to a full colour tabloid format and accepted advertising helping it become more cost effective.

1997/1998 Program Budget  
Total Expenditures  
(in millions of dollars)

	Core	Partners	Total	Percentage
MARKETING	\$53.44	\$75.60	\$129.04	88.5%
Americas	\$29.34	\$44.00	\$73.34	50.3%
US Leisure Travel	\$19.80	\$29.90	\$49.70	34.1%
US Meeting & Incentive Travel	\$4.34	\$4.30	\$8.64	5.9%
Canada	\$5.20	\$9.80	\$15.00	10.3%
Overseas	\$22.30	\$31.10	\$53.40	36.6%
Europe	\$11.00	\$22.00	\$33.00	22.6%
Asia/Pacific	\$11.30	\$9.10	\$20.40	14.0%
Aboriginal	\$1.80	\$0.50	\$2.30	1.6%
INDUSTRY COMPETITIVENESS	\$5.61	\$7.05	\$12.66	8.7%
Industry and Product Development	\$2.81	\$2.15	\$4.96	3.4%
CTX	\$0.88	\$0.00	\$0.88	0.6%
Research	\$1.92	\$4.90	\$6.82	4.7%
CORPORATE	\$4.18	\$0.00	\$4.18	2.8%
Total	\$63.23	\$82.65	\$145.88	100.00%
Salaries	\$4.70		\$4.70	

CORPORATE 2.8%

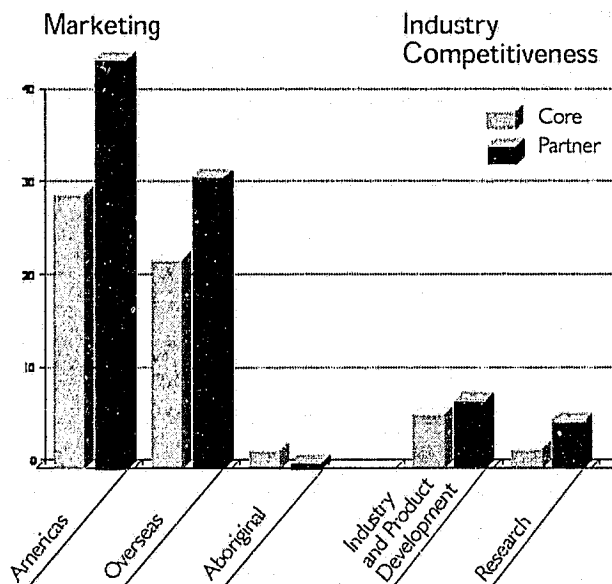
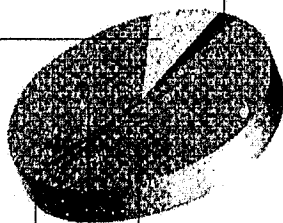
INDUSTRY  
COMPETITIVENESS 8.7%

MARKETING 88.5%

Americas 50.3%

Overseas 36.6%

Aboriginal 1.6%



## BOARD OF DIRECTORS (April 1, 1997 to March 31, 1998)

### Chairman\*

The Honourable Judd Buchanan

### President\*

Doug Fyfe

Canadian Tourism Commission

### National Representatives

#### Vice-Chairman\*

Robert S. DeMone

President, Chairman & CEO

Canadian Pacific Hotels

Ida Albo\*

Proprietor

Fort Garry Hotel

John Kim Bell

(served February 1995 – February 1998)

Founder and President

Canadian Native Arts Foundation

Garth Drabinsky

(served February 1995 – February 1998)

Chairman

Livent Inc.

Lamar Durrett

(served July 1996 – February 1998)

President & CEO

Air Canada

Joe Houssian

Chairman, President & CEO

IntraWest Corporation

Robert Matteau\*\*

(served February 1995 – March 1998)

Vice-President

Lévesque Beaubien Geoffrion Leclerc Inc

Marie Côté

(served February 1995 – March 1998)

Director General

Jonview Canada

Donald J.P. Ziraldo (since March 1998)

President and Co-Founder

Inniskillin Wines Inc.

Kevin E. Benson (since March 1998)

President and CEO

Canadian Airlines International Ltd.

### Regional Representatives

#### Atlantic Canada

Peggy Anderson

Secretary-Treasurer

Kidston Landing Country Store Ltd.

Alfred Groom

(served February 1995 – February 1998)

President

Garden of the Gulf Quality Inn

Francis McGuire\*

Deputy Minister, Dept. of Economic

Development & Tourism

Government of New Brunswick

Robert C. Thompson

Deputy Minister, Dept. of Tourism, Culture &

Recreation, Government of Newfoundland

#### Québec

Lucille Daoust

Deputy Minister

Tourisme Québec, Government of Québec

The Honourable Charles Lapointe\*

President and Director General

Greater Montreal Convention & Tourism

Bureau

#### Ontario

Peter Elmhirst\*\*

President

Elmhirst Resort

Patrick Draper

Deputy Minister

Economic Development Trade & Tourism

Government of Ontario

### Manitoba/Saskatchewan

Murray Cormack

(since October 1997)

Deputy Minister of Industry, Trade and

Tourism, Manitoba

Clare Kirkland

(served May 1996 – September 1997)

Deputy Minister of Department of Economic

Development, Government of Saskatchewan

Robert M. Sparrow

(served February 1995 – March 1998)

President

Norwood Hotel Co. Ltd.

### Alberta/Northwest Territories

Roger Jackson

(since September 1997)

Deputy Minister

Dept. of Economic Development & Tourism

Alberta

David Morrison\*\*

President & CEO

Brewster Transportation & Tours

### British Columbia/Yukon

Rick Antonson\*\*

(served February 1995 – March 1998)

President and Chief Executive Officer

Tourism Vancouver

Vicki Hancock

(since September 1997)

Deputy Minister, Yukon Tourism

### Federal Government

Kevin Lynch\*

Deputy Minister

Industry Canada

## COMMITTEE CHAIRS (April 1, 1997 to March 31, 1998)

### Vision Committee

Robert S. DeMone

President, Chairman & CEO

Canadian Pacific Hotels

### Destination Committee

Simon Cooper

President & CEO

Delta Hotels & Resorts

### Industry and Product Development Committee

Roger Wheelock

General Manager

The Butchart Gardens

### Research Committee

Stephen L.J. Smith

Professor, Dept. of Recreation and Leisure

Studies, University of Waterloo

### Asia/Pacific Marketing Committee

Terry Francis

President

T. & T.G.(S.A.) Consulting

### European Committee

Doug Port (served to June 1997)

Senior Vice-President, Sales & Product

Distribution

Air Canada

Marc Rosenberg (as of June 1997)

Vice-President, Sales & Product Distribution

Air Canada

### U.S. Meetings & Incentive Travel Committee

Chris Cahill (served to January 1998)

Executive Vice-President, Sales & Marketing

Canadian Pacific Hotels

Stephen Foster (as of January 1998)

Vice-President of Operations

Starwood Hotels & Resorts Worldwide

### U.S. Leisure Travel Marketing Committee

David H. Thomson (served to January 1998)

President

Whistler Resort Association

Christena Keon Sirsly (as of January 1998)

Vice-President, Marketing

Via Rail Canada Inc.

### Canada Marketing Committee

Christena Keon Sirsly (served to January 1998)

Vice-President, Marketing

VIA Rail Canada Inc.

Pierre Labrie (as of January 1998)

Director

Greater Québec Area

Tourism & Convention Bureau

### Aboriginal Tourism Marketing Committee

Ken Thomas

Saskatoon, Saskatchewan

### South America Marketing Committee

David H. Thomson

President

T.T.S. Marketing

\* Member of the Executive Committee. Carries out the business of the Commission between meetings of the full board.

\*\* Member of the Performance Measurement Committee. Oversees the CTC's Finances and establishes performance measures for programs and expenditures.