Ontario

Ministry of Tourism
and Recreation

TORONTO

City of Toronto
Tourism Division
Department of Economic
Development, Culture
and Tourism

Five Year Tourism Action Plan

Cameron Hawkins & Associates Inc.

the Tourism Company

KPMG

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Executive Summary

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At its meeting on October 10, 2002, the City of Toronto's Economic Development Committee struck a new subcommittee to lead the development of a plan to revitalize Toronto's tourism industry. Cameron Hawkins & Associates Inc., the Tourism Company and KPMG Canada ("the Consultants") were subsequently retained to develop an Action Plan for the Tourism Sector. The scope of work for this Action Plan included four distinct phases:

1. *Document Review, Research, Audit and Consultation*
2. *Industry Summit*
3. *Out of Market Consultation*
4. *Tourism Action Plan Development*

Tourism became an increasingly visible and important sector of Toronto's economy during the 1970's and 1980's, as Toronto recognized the importance of tourism as both an economic asset and an enhancement for quality of life. According to statistics provided by Tourism Toronto there were 16.3 million visitors to the Greater Toronto Area (GTA) in 2001. This represents an 11% decline from the number in 2000. Of the 16.3 million total approximately 11 million were pleasure/ leisure travellers and they contributed some $2 billion to the GTA economy. Statistics confirm what many have known for several years - Toronto is losing market share in a growing international tourism market.

Quality of life influences a city's ability to attract new business investment. Toronto's Economic Development Strategy, released in July 2000, highlighted 'Quality of Place' as a competitive advantage. Strong tourism appeal is an important component in creating 'Quality of Place', and Toronto faces increasing competition from cities that are making substantial investments in tourism assets, events and marketing.

The priorities identified through the research are:

- Defining leadership and governance
- Raising industry profile
- Enhancing tourism product
- Making Toronto investment friendly
- Increasing marketing reach and impact

Priority One: Leadership & Governance

The fragmentation of the tourism sector makes the creation of a common vision and shared strategy difficult, if not impossible, without effective leadership. Toronto's tourism sector currently faces a variety of challenges, as evidenced by:

- No formalized, long-term shared vision among the principal stakeholders to guide tourism development, marketing or investment.
- Tourism does not enjoy the same economic imperative as other key industry clusters.
- Inadequate resources to undertake marketing, research and communications.
- A lack of understanding on how government policies and actions affect tourism;
- Low profile within the business community and the community at large;

Two steps are necessary to enact change. First, stakeholders must acknowledge the challenges and embrace the priorities identified in this Action Plan. Secondly, the tourism sector requires an ongoing vehicle for leadership.

Leadership Priorities

Four leadership priorities are addressed in this Action Plan:

- Development of a medium to long-term strategic plan
- Increasing awareness of the value of tourism
- Increasing private-sector participation in Toronto Tourism
- Creating a permanent leadership vehicle

This Tourism Action Plan can form the basis of a comprehensive Strategic Plan for the Tourism Sector. Leadership for the Strategic Plan should come from the proposed Tourism Advisory Committee. A working group comprised of Tourism Toronto, the City of Toronto Tourism Division and the Ontario Tourism Marketing Partnership should be responsible for preparation of the Strategic Plan, with the costs shared between the City and the Province. Support should also be sought from the Canadian Tourism Commission.

Raising the profile of the tourism sector within government, the business community and the community at large is essential. Tourism should enjoy the same economic imperative as other key economic clusters.

Broadening the membership base of Tourism Toronto to include direct beneficiaries of tourism activity—large and small, leisure and corporate—as well as indirect beneficiaries should be a priority of Tourism Toronto.

The tourism sector needs a permanent vehicle to provide an ongoing forum for dialogue between public and private sector stakeholders, to provide stewardship for the strategic plan and to monitor results. The Consultants recommend the creation of a high-level "Advisory Committee", comprised of a senior representative of the City, the President of Tourism Toronto and one other individual chosen for his/her impartiality and prominence in the Toronto community (not necessarily with a tourism background). These three initial members would choose up to twelve additional members, balancing public and private sector interests as well as being inclusive of large and small businesses, education and labour. The mandate of the Advisory Committee should be to monitor progress of the strategic plan and the communication plan and to provide commentary on relevant tourism issues of the day. Ideally the evolution of Tourism Toronto to a broadly based leadership vehicle would occur during the term of the Advisory Committee and at the conclusion of 18 to 24 months, the Advisory Committee could be retired.

Priority Two: Raising Industry Profile

The tourism sector has launched few, if any initiatives to demonstrate to the community at large the importance of tourism, not just as an economic lever, but also for its contribution to quality of life. The economic, social and cultural importance of the tourism sector must be communicated and discussed at a broad level within business and political circles and within the community.

The Communication and Education Strategy would be aimed at three key target audiences:

- Business and political leaders;
- The community at large; and
- All Torontonians having contact with visitors (e.g. police, transit drivers).

The first initiative should include the traditional elements of an economic impact analysis, as well as an overview of recent studies on the importance of quality of life/quality of place on competitiveness.

A key part of this message is to communicate the central importance of Toronto as a gateway not only to visitors entering the province, but also to visitors coming to Canada.

The second element would be aimed at the community at large, to enhance their understanding of how tourism affects their quality of life, and how they can help improve this important sector.

Finally, the City of Toronto, in partnership with Tourism Toronto should oversee the development of programs to motivate front line workers, or people that interact with visitors regularly and can impact upon the visitor experience.

Priority Three: Enhancing Tourism Product

The perception that Toronto's tourism product is "old and tired" is not borne out by research. Announcements concerning the Royal Ontario Museum, The Art Gallery of Ontario, The Ontario Science Centre, the Ricoh Coliseum at Exhibition Place and the Four Seasons' Centre clearly demonstrate that Toronto is entering another period of sustained growth in its tourism plant. However, much can still be done to enhance the competitiveness of our product offering. Few significant "bricks and mortar" additions will occur over the next 30 months in Toronto. During this interval special events and packaged "tourism experiences" must play key roles in promoting Toronto as an attractive year round leisure destination.

The Tourism Action Plan includes the following short and medium term recommendations for enhancing tourism product:

- Enhance the tourism impact of events produced by the City;
- Develop a tourism event strategy
- Implement a strategy to pursue major events
- Focus product development and packaging on unique, export ready products and attributes.
- Focus on quality of the urban environment
- Develop capital plans for City and provincially owned assets

The Consultants believe an important role for the City is to support major events hosted by other entities, and act as an incubator for new events that fill a strategic niche in our annual tourism calendar. The Tourism Division should serve as an incubator for new events that have the potential to evolve into major tourist events.

Significant effort should be directed towards the development of a year round calendar of major tourism events that reinforce Toronto's positioning as a leisure tourism destination, and bolster travel during gaps in the high and low travel seasons. The starting point for the development of this special event calendar must be the major events already staged in Toronto, particularly those where Toronto enjoys a unique, sustainable position in the marketplace.

The pursuit of international mega events has too often been driven by individual passion rather than an overarching City strategy. While the importance of individual commitment cannot be overemphasized, the City must be selective in choosing which event bids to support. The Consultants concur with the direction taken by EDCT in the creation of Toronto International, and with the business plan developed by the Division to bring this initiative to fruition.

The Tourism Advisory Committee should provide direction to Toronto International to ensure its efforts remain coordinated with the Tourism Sector Strategic Plan. As well, the mandate and strategy for Toronto International should be coordinated with the ongoing efforts of Tourism Toronto, Exhibition Place, the National Trade Centre and the Metro Toronto Convention Centre (MTCC) to ensure clarity of focus, and avoid duplication of efforts.

As important as the recently announced additions to our cultural inventory are, Toronto must look beyond its cultural assets for sustainable competitive advantages. Long-term success will come from promoting what is truly unique about Toronto.

As our unique attributes are often best represented by small and medium sized operations, Toronto must find the means to bring more of these opportunities to the market. The reduction in financial support for destination marketing efforts over the past decade has forced Tourism Toronto to eliminate a number of essential programs and services aimed at packaging the City's tourism experiences. Long-term success depends on finding a way to increase the resources devoted to leisure destination marketing.

"City Cards" are an increasingly popular means of tourism promotion. These cards combine a number of value-added features such as public transit, discounts for tourism related goods and services or free admissions to publicly operated attractions. Such a program offers a number of advantages to Toronto's tourism sector, and we recommend that the Tourism Division, in partnership with Tourism Toronto, investigate the viability of a Tourism Card similar to those offered in many European cities.

In order to maximize the economic impact of tourism in a sustainable manner while enhancing the quality of life for local residents and businesses, a number of European cities have adopted a consistent approach —Integrated Quality Management (IQM). We recommend the Tourism Division oversee the development of a pilot IQM program focused on urban environmental issues, specifically security, quality of the urban environment and visitor services. To focus the initial effort the program should be piloted in the downtown core.

In reviewing urban redevelopment strategies for other North American cities, it became apparent that development of a common vision for tourism investment is an important prerequisite to success. Major tourism assets in Toronto are owned by private sector interests and all levels of government. Creation of a common vision and integrated strategy for long-term development, therefore, is a complex task. However, past success in expanding the convention centre and with development of the National Trade Centre clearly demonstrates what can be achieved when stakeholders from the private sector and all levels of government are aligned behind a common vision. The Tourism Division should facilitate the assembly of long-term plans for all existing and proposed attractions, cultural and heritage assets. These should be provided to the Tourism Advisory Committee for consideration in its Strategic Plan.

Priority Four: An Investment Friendly City

Programs such as Tax Increment Financing that lower the overall project cost, or that can be converted to development equity, would allow Toronto to compete with major U.S. cities in attracting development capital. It is recommended that the City work to create a favourable economic climate by removing or reducing barriers to profitability and providing the private and public sector stakeholders the tools required to compete effectively in the North American marketplace.

Before Toronto can convince others to view the city as a favourable destination for tourism investment, this attitude must be widely held within our own city. Factors important to the long-term health of our tourism industry must be addressed, including the quality of tourism and municipal infrastructure, the quality of the urban environment, public safety and social issues.

The timing, scope and direction of waterfront redevelopment must be clarified before significant private sector interest can be secured. Furthermore, culture and tourism must be more prominently featured in the funding model for the Toronto Waterfront Revitalization Corporation.

Priority Five: Increasing Marketing Reach and Impact

Toronto's position in the North American and international tourism marketplace has steadily diminished over the past decade. Toronto has become a harder sell as a result of eroding awareness and the increased "noise" and aggressiveness of Toronto's key competitors.

No comprehensive marketing plan for the Ontario or Canadian tourism industry is complete without a significant role for and contribution from Toronto. Over the past several years however, Toronto's ability to market itself independently or in conjunction with provincial and federal "partners" has been severely handicapped by insufficient marketing resources. Accordingly, building awareness of Toronto as an appealing and attractive urban leisure destination must be a sustained marketing priority ***for all levels of government.***

The Action Plan includes two over-arching objectives:

1. *More efficient use and focus of marketing resource, including*
   - leveraging market research,
   - focusing on existing and potential niche markets.
   - capitalizing on the forthcoming cultural renaissance
   - Positioning sport, theatre and related entertainment products
   - Developing stronger relationships with other levels of government and adjacent destinations (e.g., Niagara Falls, Muskoka).
   - More focus on leisure markets and relationships.
2. *Greater marketing resources over the short and long terms, specifically,*
   - A short-term plan to address immediate (i.e., 2003 and 2004) needs; and,
   - A longer-term plan focused on substantially increasing and maintaining marketing resources from 2004 onwards.

In the short term, a "made in Toronto" solution must be found to increase the resources available for destination marketing. However, it must be acknowledged that without access to "user pay" revenues, putting the full burden for destination marketing on the City and the industry will place Toronto at a competitive disadvantage in the long term.

Short term—The Greater Toronto Hotel Association (GTHA) is working to form a consensus among Toronto hotels to introduce a self-imposed 3% levy that would mirror a hotel tax. All funds raised via this levy would be available to Tourism Toronto for destination marketing. The GTHA should be encouraged by Tourism Toronto, the City of Toronto and all Toronto tourism stakeholders to continue pursuing this initiative.

In the absence of a voluntary solution to the visitor levy issue, the City of Toronto is encouraged to increase its financial support for destination marketing to ensure that Tourism Toronto's total destination marketing budget is at a competitive level with Vancouver, Montreal and our major US competitors.

Long term—We are not aware of any major jurisdiction in North America that has successfully funded a competitive destination marketing organization through a self-imposed levy or other revenue enhancement strategies. Nor is it realistic to assume that the City can provide funding equivalent to the sums raised through visitor taxes. The landscape for destination marketing organizations in major cities has permanently changed. The GTHA, with support from other urban hotel associations, the City of Toronto, Tourism Toronto and all stakeholders in the municipal tourism industry, should continue to encourage the provincial government to enable a hotel tax. Without a stable, long-term user-pay funding mechanism, Tourism Toronto's ability to market the City is placed at a growing disadvantage vis a vis its competitors. Toronto's position in the national, North American and international tourism marketplace will continue to erode as destination awareness fades.

SARS and the Tourism Action Plan

Development of the Tourism Action Plan took place in the first quarter of 2003, with most of the research completed by the end of February. The Action Plan itself took shape in early March, well before the first outbreak of SARS in Toronto.

The challenges facing the tourism industry cannot be mitigated through short-term initiatives. Accordingly, the horizon for this Action Plan was five years, with particular emphasis on sustainable medium and long-term programs. While some may suggest these initiatives be tabled in light of the current crisis facing the tourism sector, that would be exactly the wrong thing to do. The SARS crisis elevates these recommendations from compelling to imperative. At no time has the need for leadership, and for alignment of vision and strategy, been as critical.

1. The Context for the Action Plan

1.1 Background

At its meeting on October 10, 2002, the City of Toronto's Economic Development Committee struck a new subcommittee to lead the development of a plan to revitalize Toronto's tourism industry. This reflected the Committee's concern that Toronto is losing competitive position in tourism, and the belief that a City focus on the tourism sector would assist in providing the leadership and attention needed to strengthen the industry.

Cameron Hawkins & Associates Inc., the Tourism Company and KPMG Canada ("the Consultants") were retained to develop an Action Plan for the Tourism Sector. This work commenced in November, 2002.

In 1992 Metropolitan Toronto commissioned the preparation of a "Competitive Tourism Development Strategy", which served as a blueprint for many of the initiatives that were undertaken during the past decade. The strategic vision adopted at that time was:

> *"To be a leading leisure/pleasure destination in North America."*

The 1992 Tourism Development Strategy identified six broad strategic positioning thrusts:

1. Develop a clear, consistent image supported by an innovative marketing program;
2. Develop Toronto as a gateway city;
3. Pursue additional convention and trade show potential;
4. Gain additional leverage from regional demand generators such as Niagara Falls;
5. Enhance Metro Toronto's position as a regional centre; and
6. Develop Toronto's unique selling propositions.

A number of major recommendations from the 1992 report, most notably expansion of convention and trade show facilities, have come to fruition. Many of the recommendations, while not fully implemented, are still relevant.

The Consultants believe the 1992 Competitive Tourism Development Strategy provides a sound platform on which to build today's Tourism Action Plan.

1.2 The Scope of the Project

The scope of work for this Action Plan included four distinct phases as detailed below.

1. *Document Review, Research, Audit and Consultation*
   Including the following tasks:
   - Review of existing studies related to Toronto's tourism sector
   - Audit of relevant reports from other jurisdictions
   - A review of best practices from other jurisdictions
   - Interviews with a broad cross section of public and private sector tourism stakeholders as listed in Appendix A. (Participants were asked to focus on issues that should be addressed in the short, medium and long term. A complete list of questions is included in the Appendices).

2. *Industry Summit*

An industry summit was held in January 2003 to review and amend emerging priorities and issues, and to begin the development of strategies.

3. *Out of Market Consultation*

A total of 13 interviews were conducted with stakeholders in Toronto's key U.S. markets -- six with a convention/ meetings focus, six with leisure tour operators and one with a representative of the Canadian Tourism Commission (CTC). (The interview list was drawn up with the assistance of Tourism Toronto and the Metro Convention Centre as well as the Ontario Ministry of Tourism and Recreation). The objectives of the interviews were as follows:

- To validate perceptions and identify additional challenges and opportunities
- To identify benchmarks and best practices from other jurisdictions
- To seek relevant and realistic solutions.

A list of those interviewed and the interview guideline is presented in Appendix B.

4. *Tourism Action Plan*

Articulation of the plan.

1.3 Tourism Defined

The term tourist and visitor are used interchangeably within tourism research, with the term visitor being more instructive, as it embraces both leisure, 'Visiting Friends and Relatives' (VFR), corporate, convention and meeting travel. A tourist or visitor is defined as a person undertaking:

All overnight trips, regardless of the distance travelled, and same day trips with a minimum one-way distance from a respondent's home of 40 km, excluding trips taken as a member of an operating crew of a bus, plane, truck, ship etc., commuting to

one's usual place of work or school, or moving to a new residence.
Source: Statistics Canada

Note: This is the definition that the Ministry of Tourism and Recreation subscribes to. Tourism Toronto uses a slightly different definition including only same-day visitors that travel more than 80 km one-way.

While visitors can and do impact virtually every sector of the community – from traditional visitor attractions to health care facilities to transportation services, there are eight major sectors that derive a significant share of business from visitors:

- Accommodation
- Food and beverage
- Transportation
- Retail
- Convention, trade show and meeting suppliers
- Travel trade
- Attractions
- Tourism services (e.g. research, education, advertising, travel counseling)

Indirectly, tourism benefits many other business sectors, particularly those that serve as suppliers to these principal sectors (e.g. food wholesalers, automobile manufacturers).

Throughout this document the Consultants will also rely on a number of terms, which are defined below. Unless a specific source is noted, these definitions were developed by the Consultants based on a review of tourism definitions used by a number of organizations. As no single definitive source exists, the Consultants developed these definitions to suit Toronto's specific market conditions.

Tourism Events
Tourism events are defined as events that are large, compelling to a major market and with high expenditure potential. Such events should also have a high potential for international exposure and the ability to encourage multi-day visits. To be considered a true tourism event, a material share of total participation must come from overnight tourists/ visitors.

Three important categories of tourism events are defined below:

Mega-events - Defined as events that, by way of size or significance, yield extraordinarily high levels of tourism, media coverage, prestige, or economic impact for the host community or destination. e.g. Olympic Games.
Source: Don Getz, Professor, University of Calgary

Hallmark Event - A recurring event possessing such significance, in terms of tradition, attractiveness, image, or publicity that it provides the host community with a competitive advantage. Over time, the event and destination can become inseparable in terms of their image. e.g. Oktoberfest, Mardi Gras.
Source: Don Getz, Professor, University of Calgary

Blockbuster Event - A one-time, large-scale event possessing such significance that it provides the host community with a competitive advantage. e.g. Barnes Exhibit

Separate and distinct from Tourism Events are two other categories of events - *Growing and Emerging Festivals* and *Community-based Events.* Growing and Emerging Festivals are those that have the potential to evolve to Tourism Events. Community-based events have a community focus and impact as opposed to a tourism focus and impact.

1.4 The significance of tourism for Toronto

1.4.1 By the numbers

Tourism became an increasingly visible and important sector of Toronto's economy during the 1970's and 1980's, as Toronto recognized the importance of tourism as both an economic asset and an enhancement for quality of life. Major investment in tourism product by both the public and private sector occurred, with a number of landmark attractions added to the urban landscape. Of particular significance were the expansion of convention and trade show businesses and facilities, and the emergence of Toronto as a major centre for live theatre and professional sports.

According to statistics provided by Tourism Toronto there were 16.3 million visitors (including all international visitors and any domestic visitors who have travelled aver 80 km one-way) to the Greater Toronto Area (GTA) in 2001. This represents an 11% decline from the number in 2000. Of the 16.3 million total approximately 11 million were pleasure/ leisure travellers (of which 5.3 million were visiting friends and relatives) and they contributed some $2 billion to the GTA economy.

The following statistics, provided by the Ministry of Tourism and Recreation (MTR) highlight some of the key tourism sector characteristics for the City of Toronto over the last couple of years. There is some confusion in the industry over the differences in Tourism Toronto and Ministry statistics for Toronto. This confusion is a result of differing definitions of the geographic area for Toronto as a destination and the differing travel distances for domestic visitors. MTR refers to Toronto as the City of Toronto (CD20) while Tourism Toronto refers to Toronto as the Greater Toronto Area (CMA535) and includes parts of Simcoe County and Durham and Halton Regional Municipalities.

- Toronto is the largest destination in the province, accounting for one-sixth of the total visitation to the province.

- It is estimated that tourism in Toronto contributed $5.5 billion in GDP (Gross Domestic Product) to the provincial economy, and created 63,675 jobs in tourism-related sectors in the city in 2001.

- At the end of 2001, there were 35,102 businesses in Toronto providing goods and services to travellers, representing 18.4% of the total businesses in the city.

- In 2001, total visitation to Toronto amounted to 17.2 million (including all international visitors and any domestic visitors who have travelled more than 40 km one-way), representing a 7.7% decrease from 2000. The average hotel occupancy rate decreased by 4.3% in Toronto and by 6.6% in the GTA compared to those in 2000.

- For the year of 2002, international border crossings to Toronto continued to decrease by 5.1% over 2001. The average hotel occupancy rate decreased by 0.4% in Toronto and by 2.7% in the GTA compared to those in 2001.

- In 2001, visitors from Ontario accounted for 63% of Toronto's total visitation, followed by US visitors (20%), overseas visitors (9%) and visitors from other Canadian provinces (8%).

- In 2001, about 37% of the visitors to Toronto were on a pleasure trip and 31% were on a trip to visit friends and relatives. Business visitors accounted for 21% of Toronto's total visitation. This proportion was among the highest in the province.

- In 2001, almost half (47%) of the visitors to Toronto stayed one or more nights. Their average length of stay was 3.5 nights.

- Visitors spent $4.4 billion in Toronto in 2001, accounting for 28% of the total visitor expenditures in the province.

- The average spending per person per trip in Toronto in 2001 (excluding spending on transportation) was $193, almost 80% higher than the provincial average.

- In 2001, Toronto residents also spent $1.1 billion in the city on Canadian transportation carriers in order to travel to destinations outside the province. This brought the total tourism expenditure in the city to $5.5 billion.

Changes in visitation were uneven across different market segments – corporate, convention and conference travel was up until the first half of 2001, while leisure – both group and Fully Independent Travel (FIT), has been trending downward for several years. The strength of corporate and convention travel has, to some extent, masked the problem in the leisure market. However, with corporate demand softening and the convention market falling off, this issue has now attracted considerable attention from all sectors.

The major conclusion to be drawn from statistics is Toronto is losing market share in a growing international tourism market. This trend has been, and is being exacerbated by the impacts of both internal and external events such as 9/ 11, the Iraq War and SARS.

1.4.2 Tourism sets the tone for economic development

Research in North America and Europe clearly illustrates that the quality of life in a city influences its ability to attract new business investment. Research conducted by the European Institute for Comparative Urban Research (EURICUR) identifies that an attractive city is composed of basic elements and distinguishing elements. Basic elements are prerequisites for an attractive city and include qualities such as a clean and respectable environment, a varied and high quality housing supply and good internal accessibility. Distinguishing elements determine the city’s position and status and include unusual or landmark buildings, museums and attractions.

Tourism, Quality of Place and Economic Growth

Toronto’s Economic Development Strategy, released in July 2000, highlighted ‘Quality of Place’ as a competitive advantage. Quality of Place is defined as the amenities, lifestyle and environmental quality of a city. It cited the mobility of qualified knowledge workers and capital investment by knowledge industries, and the degree to which quality of place can influence location decisions. Cities throughout the world have recognized the importance of attracting and retaining a large pool of knowledge workers. Creating a city with strong tourism appeal is an important component in creating ‘Quality of Place’ and in turn attracting knowledge workers. While Toronto has identified tourism as one of its key economic clusters, many of our urban competitors have also recognized the importance of tourism as part of a balanced and sustainable economic development strategy.

Toronto faces increasing competition from cities that, in an effort to capture their share of the tourism dollar while improving their quality of place, are making substantial investments in tourism assets, events and marketing.

1.5 Priorities for the Action Plan

Items to be addressed in the Action Plan were identified through a series of stakeholder interviews, a review of background reports and other relevant studies, and by input received during the January 2003 Tourism Summit. For a more comprehensive overview of the Tourism Summit, please see Appendix C.

1.5.1 The Audit and Stakeholder Consultation

The audit of issues, opportunities and recommendations from reports coupled with findings from stakeholder interviews identified a number of key priority areas, which are summarized in Appendix D.

1.5.2 Out-of-Market Consultation

External stakeholders generally hold a more positive impression of Toronto than internal stakeholders when it comes to the quality of tourism product. Highlights from interviews with external stakeholders are summarized below. ***Readers are reminded that these interviews took place in January and February 2003. No follow up research has been conducted to determine what, if any, changes may have occurred in the intervening period.***

- Toronto needs to do more promotion to create stronger consumer awareness and interest - rather than just selling, Toronto needs to promote more - 'blow our horn' as a leisure destination and in turn drive business to tour operator partners and generate interest for conventions;
- Toronto has a good image with tour operators that now sell Toronto;
- From a leisure market perspective Toronto needs to become more active and provide more support for tour operator partners;
- Americans do not generally have a good sense of Canadian geography and Toronto should be packaged with other strong attractions like the Shaw Festival, Niagara Falls and Stratford;
- Tourism Toronto does a great job servicing conventions;
- There is a strong perception in the US that the border and currency present significant hurdles in travelling to Toronto – it is perception not reality for those that have been to Toronto – we need to better promote Toronto as a seamless destination for meetings;
- Toronto could do a better job educating visitors about the ease of crossing the border, the exchange rate and GST rebates - make Toronto more visitor friendly before they visit;

Priority Issues

1. **Product**
2. **Leadership**
3. **Marketing**
4. **Infrastructure & environment**
5. **Other – such as federal funding and stimulating investment**

- The perception that Toronto is old and tired is not widely held - Toronto has what is needed for the convention and leisure markets – the city needs to do a better job creating awareness;
- Toronto should take advantage of Canadian friendliness and service orientation – this is a major competitive advantage;
- Chicago seems to be best in class in terms of marketing;
- Boston reportedly has strong vendor education programs;
- Montreal was suggested as a benchmark in terms of promoting aggressively rather than selling;

➢ There is lots to do around Toronto (e.g. the Niagara wine region) - there is a need to create stronger profiles for these areas and enhance opportunities to experience them; and

➢ A city pass or booklet would be beneficial.

1.5.3 Review of Research

In addition to a review of Toronto-specific research, other available research was scanned to identify any research pertaining to perceptions of Toronto, and key trends for Toronto as a destination. The following is a short summary of insights gained from the most relevant research.

Participation rates for urban cultural activities are expected to increase over the next 20-25 years. The TAMS (Travel Activities and Motivation Survey) ageing reports suggest that between now and 2026 cultural activities like museums, art galleries, opera, live theatre and ballet/ dance will increase in popularity. There will be significant increases in the proportion of both domestic and American visitors interested in cultural activities, while there will be a significant decrease in the proportion of Canadians and Americans seeking adventure and unspoiled nature experiences (particularly in the more active outdoor activity categories). At the same time the proportion of domestic and US visitors visiting casinos is expected to decline.

Immigrants will represent about 4.5 million of Ontario's 12.2 million adult residents by 2026. Toronto will house 73% of the provinces' new immigrants by 2026. A large part of European visitation to Ontario is VFR with less then 20% of party-nights in paid roofed accommodation. These two facts would suggest immigrants hosting family and friends will be a significant market. This has broad implications for the tourism sector. The cultural attractions sought by immigrants may not be those Toronto has to offer today. Visitor services such as signage and information distribution will need to evolve as the nature and composition of our visitor market changes.

Domestic and U.S. convention and meeting delegates are an important market segment for Toronto. TAMS research identifies that a total of 28.1% of American adults and 21.7% of Canadian adults have attended at least one out-of-town convention, trade show, conference or seminar over the previous two years. This market is better travelled and affluent than the average and represents an important market for Ontario. When travelling for pleasure they typically prefer luxurious accommodation and are interested in the full range of cultural activities as well as golfing, swimming, sunbathing and fitness activities. Canadian business travellers perceive Ontario as a cultural and entertainment destination rather then a destination for nature and outdoors. American business travellers perceive Ontario more as a nature and outdoors destination, not as a destination rich in culture and entertainment.

The most important destination selection factors for large conventions are convention facilities, hotels and the attraction draw of the city. Syndicated research for Tourism Toronto (Flasspohler Research 2002) on the conventions and meetings market, completed in 2002, suggests Toronto ranks well in terms of being safe and secure, having superior convention facilities and free time attractions. Border and customs issues are seen as a hurdle for Toronto.

In addition to these specific findings the Consultants reviewed best practices from other jurisdictions in the areas of leadership, governance, strategic planning and the funding of destination marketing. Relevant findings from this research have been included as case studies and sidebars throughout the report.

1.5.4 Industry Workshop – The Tourism Summit

The issues identified during the interviews were compiled and formed the starting point for discussions at the Tourism Summit held in January 2003. (For a comprehensive list of these issues, please refer to Appendix D).

The issues that were identified at the Summit and through all phases of the research as priorities requiring action are:

- Defining leadership and governance
- Raising industry profile
- Enhancing tourism product
- Making Toronto investment friendly
- Increasing marketing reach and impact

The Action Plan addresses each of these issues in detail.

2. Action Plan

The following sections present a detailed outline of prioritized actions to implement in the next five years. Priorities were established based on input provided by stakeholders at the Tourism Summit, as well as feedback from our out of market stakeholder interviews.

Priority One:
Leadership & Governance

- **High level Advisory Committee**
- **Tourism Strategic Plan**
- **Communication plan**
- **Increase private sector involvement**
- **Evolve Tourism Toronto as permanent leadership vehicle**

2.1 Priority One: Leadership & Governance

The fragmentation of the tourism sector makes the creation of a common vision and shared strategy difficult, if not impossible, without effective leadership. Leadership in a municipal tourism context can take many forms, ranging from formal organizational structures to much more informal tourism "champions" (generally an individual but sometimes an organization). Often a combination of leadership approaches has proven to be the most effective.

Several organizations, in various levels of intensity, are providing elements of leadership for Toronto's tourism sector including Tourism Toronto, the City of Toronto, the provincial government through the Ontario Tourism Marketing Partnership and various industry associations, most notably the Greater Toronto Hotel Association. While considerable overlap exists among the objectives of these—and other—tourism-focused organizations, each has separate accountabilities and success measures which are not necessarily tied to a common tourism vision for Toronto. The last formalized, shared vision for the Toronto tourism industry was contained in the 1992 Tourism Development Plan. Most would agree that the 1992 plan was comprehensive and laid the foundation for medium and long-term success. To the extent individual recommendations contained in the 1992 plan were carried out (e.g. expansion of the convention centre), leadership can be identified as a key success factor. But it could be argued that the overall plan, including the vision statement—"to be a leading leisure/ pleasure destination in North America"—was not implemented to the extent it could have been, as no leadership structure existed to take ownership of the entire plan. As a result, Toronto's tourism sector currently faces a variety of challenges, as evidenced by:

- No formalized, long-term shared vision among the principal stakeholders to guide tourism development, tourism marketing or tourism investment. This situation is best demonstrated by the short-term focus on more marketing as a "cure all" to recent visitor declines.
- Tourism not enjoying the same economic imperative as other key industry clusters.
- Inadequate resources to undertake marketing, marketing research and communications.

- A lack of understanding within government on how their actions affect tourism;
- Low profile within the business community and the community at large;

Two steps are necessary to enact change. The first step is to acknowledge the challenges and identify the priority leadership actions. The second step is to provide an ongoing vehicle for leadership where roles and responsibilities for these actions can be discussed and achievements monitored. Matching these responsibilities to the unique resources and capabilities of the stakeholders will minimize overlap of activities and effectively utilize limited resources.

2.1.1 Leadership Priorities

The four priority leadership actions believed to be crucial in building a stronger foundation for Toronto's tourism industry are:

- The development of a medium to long-term strategic plan
- Increasing awareness of the value of tourism
- Increasing private-sector participation in Toronto Tourism
- Creating a permanent leadership vehicle

2.1.1.1 Develop a Medium to Long-Term Strategic Plan

This Tourism Action Plan can form the basis of a comprehensive Strategic Plan for the Tourism Sector. However, completion of an industry-wide strategic plan requires further work on the normal elements of such a document, including market outlook, product requirements, policy amendments, competitive assessment, consumer research, SWOT analysis, role and support of publicly-owned tourism infrastructure, budgets, timetable for deliverables and assignment of responsibilities. Much of the information required to complete a comprehensive Strategic Plan exists in the files of stakeholder organizations such as Tourism Toronto and the OTMP.

Leadership for the Strategic Plan should come from the proposed Tourism Advisory Committee (see section 2.1.1.4, following). The responsibility for directing the strategic planning process should fall to a working committee comprised of at least Tourism Toronto, the City of Toronto Tourism Division and the Ontario Tourism Marketing Partnership. External consulting resources should be engaged to prepare the plan. As with the Action Plan, the cost of the Strategic Plan should be shared between the City and the Province. Support should also be sought from the Canadian Tourism Commission.

2.1.1.2 *Increasing Awareness of the Value of Tourism*

Tourism is a significant employer, generator of government revenue and contributor to quality of life in Toronto. Yet the awareness of the value of tourism is low—even within the industry itself.

The development of an effective communication plan to raise the profile of the tourism sector within government, the business community and the community at large is necessary. An innovative, vibrant approach is required to present the message in an active, compelling light.

2.1.1.3 *Increasing private sector participation*

Tourism is an industry comprised primarily of small and medium sized businesses. Over the past few years, the public sector and many of the larger private sector tourism businesses that directly benefit from tourism activity (e.g., major hotels, convention servicing companies, large attractions) have dominated the positioning and marketing of Toronto as a tourist destinations. These larger private-sector operators have also been most active in advocacy functions. This situation is not unusual – many of Toronto's major competitors across North America have faced similar challenges. However, how the tourism sector responds to this challenge can determine whether a common vision and alignment of objectives can be achieved. Clearly, large public and private sector stakeholders are necessary to the long-term success of the industry. But…the myriad of small operators, and those who benefit indirectly from tourism (e.g., retail, transportation) should also be encouraged to play a more active role. This will ensure their unique position is registered, and will help demonstrate the value of tourism beyond the traditional, larger players.

A related issue is that over the past several years the composition of Tourism Toronto's membership base has been skewed towards larger industry participants and those with a convention/ group focus. During the consultation process for the Action Plan, concerns were expressed among the smaller, generally leisure-market focused tourism businesses about their inability to play a role in the marketing of Toronto as a destination.

Broadening the membership base of Tourism Toronto to include direct beneficiaries of tourism activity—large and small, leisure and corporate—as well as indirect beneficiaries should be a priority of Tourism Toronto. As the member-based organization representing the industry, Tourism Toronto needs to play a much stronger role in this area to ensure inclusion—real and perceived—by the entire industry.

2.1.1.4 *Permanent leadership vehicle*

The tourism sector needs a permanent vehicle to provide an ongoing forum for dialogue between public and private sector stakeholders, to provide stewardship for the strategic plan and to monitor results. European experience as reported by EURICUR suggests that "organizing capacity" is the foundation for modern urban management including tourism. They define organizing capacity as the ability to bring all stakeholders (public and private) together to develop policy and implement strategy for sustainable economic growth. The Toronto tourism sector lacks organizing capacity. Once the organizing capacity is in place a common vision and strategy can help align the stakeholders and determine direction and investment priorities.

The Consultants reviewed the leadership and governance models in a number of municipal, provincial/ state and national jurisdictions. While numerous models were found, two general patterns emerged. The first, characterized by cities such as Calgary, Chicago and Sydney, saw a number of private and public agencies with overlapping responsibilities for policy, marketing, consultation, strategic planning and advocacy. These often-competing organizations appear to have emerged in response to the real, or perceived, inability of the central destination marketing organization to adequately represent the broad spectrum of needs presented by the tourism industry. Rather than address the underlying cause, these jurisdictions have attempted to solve the problem by creating a patchwork of organizations to address specific needs. The net effect, however, appears to be a duplication of effort, a lack of clarity in programs, and a confusing labyrinth for visitors to navigate.

A more compelling model is found in cities such as Vancouver, San Francisco, Las Vegas and Montreal, where the central DMO is the de facto "champion" of the tourism industry. In these cities the DMO not only carries out a comprehensive destination marketing program, but also provides the leadership vehicle to address issues of long-term strategy and policy. Key to the success of this model is the ability of the DMO to represent the needs of all tourism sector stakeholders, and to enlist the active support of the business community at large.

For a number of reasons, Tourism Toronto has been unable to fill this role over the past decade. Indeed, a number of fundamental changes are necessary before Tourism Toronto could take on such a mandate. However, the Consultants believe there are many significant long-term benefits to this leadership model, and believe the City of Toronto, other levels of government and the private sector should be wholly supportive of Tourism Toronto developing the capacity to take on a broader leadership role. Specifically, Tourism Toronto should be capable of providing leadership to Toronto's tourism sector once:

- An independent revenue source is put in place. Without a stable, long-term revenue source—one not largely reliant on an annual grant from the City of Toronto—Tourism Toronto will not be in a position to develop the broadly based industry support necessary.
- The membership base is broadened to include a greater number of smaller operators, and indirect beneficiaries of tourism (e.g., retailers, suppliers).
- The marketing focus for Toronto tourism is more balanced, specifically to include a greater emphasis on leisure marketing. A board restructuring may be necessary to properly address this issue.
- Current Tourism Toronto leadership has had the opportunity to demonstrate its conviction to these new directions, and its ability to serve as the de facto "champion" of the sector.
- The Tourism Toronto Board agrees to take on these additional responsibilities.
- Ideally, this transformation should require no more than 18 to 24 months.

In the meantime, and to enable the industry to move forward by allocating responsibility for key initiatives, the Consultants recommend the creation of a high-level "Advisory Committee." A number of jurisdictions have established such a Committee, and these organizations share several key characteristics:

- Participants play key leadership roles in their respective fields, whether in business, government, education or labour;
- Public sector leadership is provided by the highest elected official of the jurisdiction – the president or prime minister at the national level, premier or governor at the provincial or state level, and mayor at the municipal level;
- The focus is on issues of long-term strategy and policy

Accordingly the Consultants recommend the Committee should initially be comprised of a senior representative of the City, the President of Tourism Toronto and one other individual chosen for his/ her impartiality and prominence in the Toronto community (not necessarily with a tourism background). The Committee should balance public and private sector interests as well as being inclusive of "large" and "small" businesses, education and labour. The three-person team would strike the balance of the Committee with a view to including senior-level representation from within the industry (major hotel chain, tourist attraction, convention services), suppliers benefiting from the industry (e.g., retail, cultural facilities) and the business community at large (e.g., media, financial services). The Committee should have no more than 15 members.

The City of Toronto Tourism Division, Tourism Toronto and industry sector associations should be encouraged to suggest the characteristics and qualities preferred for members of the Committee. Recommendations of specific individuals should also be encouraged. However, in this context the long-term, broad, strategic vision of the Committee must be kept in mind in addition to the desire to reach beyond individuals directly involved in the tourism industry to include the business community, labour and others indirectly affected by the success of tourism in Toronto.

The mandate of the Advisory Committee should be to monitor progress of the strategic plan and the communication plan and to provide commentary on relevant tourism issues of the day. The Advisory Committee is being recommended as a catalyst to ensure the necessary parties are brought to the table, resources are identified and commitments made by key stakeholders are carried out. The Advisory Committee must ensure that, unlike the 1992 plan, recommendations of this Tourism Action Plan are vested with stakeholders capable of providing ongoing leadership and resources. Ideally the evolution of Tourism Toronto to a broadly based leadership vehicle would occur during the term of the Advisory Committee and at the conclusion of 18 to 24 months, the Advisory Committee could be retired. If the Committee believes an extension of the mandate is required, specific objectives should be identified and a timetable put in place.

Leadership in the Tourism Sector –A Study in Contrasts

In Canada, Montréal and Vancouver are often regarded as highly successful destinations. Each city enjoys a strong, well-resourced Destination Marketing Organization (DMO). Tourisme Montréal's mission is not only to undertake destination marketing but also to provide the leadership for a concerted and coordinated effort in the development of Montréal's tourism product offering.

For Vancouver, the defacto champion of the tourism industry is Tourism Vancouver. Tourism Vancouver undertakes typical destination marketing activities but is also active in raising the industry profile of tourism in the community, and plays a major role in organizing the industry around issues that impact visitation, such as the Convention Centre expansion and the 2010 Winter Olympic bid.

In other jurisdictions the leadership model is less clear. In an attempt to centralize and coordinate the messaging of four key economic development agencies—Calgary Economic Development, Tourism Calgary, the Convention Centre Authority and Calgary Technologies Inc.—the City of Calgary created one large super agency "Calgary Inc." The creation of Calgary Inc. added another level of bureaucracy, with each agency reporting to the City, but funded from Calgary Inc. Without the sustained funding to target specific objectives, the agencies were forced to compete amongst themselves for minimal resources—in the end confusing, rather than clarifying, the communication strategy. The City of Calgary has judged this initiative a failure and is now in the process of disbanding Calgary Inc.

Three organizations lead Chicago's tourism efforts: The Chicago Convention and Tourism Bureau (CCTB) focuses largely on convention marketing and sales; the Chicago Office of Tourism (a City department within the Culture Division) focuses on leisure marketing and the Mayor's Office of Special Events focuses on event management and promotion. This fracturing of objectives has lead to duplication of efforts and a loss of focus on long-term strategic objectives. In response to declining visitation over the past three years, this leadership model is being revisited. The Chicago Office of Tourism and the CCTB have come to an informal partnership that charges the CCTB with managing the business and leisure sales effort of Chicago, leaving the Chicago Office of Tourism to coordinate the leisure consumer advertising and public relations activities, host fam trips and operate the visitor centres.

Priority Two:
Raising Industry Profile

- **Generate broad awareness among business and political leaders**
- **Generate broad public awareness**
- **Motivate visitor-friendly Torontonians**

2.2 Priority Two: Raising Industry Profile

While identified as a key industry cluster in Toronto, tourism does not enjoy the same economic imperative as, perhaps, the pharmaceutical industry or financial services. This problem is not unique to Toronto, but it does mean that the tourism sector needs to work harder to achieve the level of support required for sustained growth.

The tourism sector has launched few, if any initiatives to demonstrate to the community at large the importance of tourism, not just as an economic lever, but also for its contribution to quality of life. The linkage between quality of life and our ability to attract new investment may be known to urban planners and academics, but not to the average taxpayer. Furthermore, tourism leaders seldom talk to the leaders of other business sectors about the importance of tourism on their industry – the direct and indirect spending on transportation, food and beverage manufacturing and a host of other goods and services.

For Toronto's tourism sector to succeed, a new understanding is required. Tourism is an important contributor to quality of life and place, and is therefore an integral element of any successful economic development strategy. But this message needs to be communicated and discussed at a broad community level, both within the business and political circles and also within the local neighbourhood and community groups. The message is interesting and timely as Toronto moves towards positioning itself as a leading leisure/pleasure destination in North America.

The Communication and Education Strategy would be aimed at three key target audiences:

- Business and political leaders;
- The community at large; and
- All Torontonians having contact with visitors (e.g. police, transit drivers).

The initial goal would be to generate a broad level of awareness of the role tourism plays in supporting recreation and culture, quality of life and economic growth. The second and perhaps more important role is to motivate involvement and activity at a variety of levels (business, political and community) aimed at supporting tourism development initiatives in Toronto. The ultimate goal should be to integrate tourism-friendly attitudes into the fabric of Toronto's urban life.

2.2.1 Generate broad awareness among business and political leaders

The first initiative in the communication strategy should include the traditional elements of an economic impact analysis, as well as an overview of recent studies on the importance of quality of life/quality of place on competitiveness. This background piece would provide business and political leaders a comprehensive picture of the scope, scale and importance of tourism, both as an economic engine and as a contributor to quality of life and place. But not simply in Toronto. A key part of this message is to communicate the central importance of Toronto as a gateway not only to visitors entering the province, but also to visitors coming to Canada.

A number of existing organizations, such as Tourism Toronto and the Toronto Board of Trade, should be encouraged to assist in the preparation and execution of this element of the program. The communication strategy set the stage for how tourism is perceived in Toronto. Therefore, it is important that any statistics used in the campaign be consistent with those used by other agencies.

2.2.2 Generate broad public support

There is a need to move beyond dry, lifeless statistics and present the message in a more active, compelling light—and to a broader audience. Not only business and public leaders, but also the community at large must understand how tourism enhances their quality of life, and how they can help improve this important sector.

Berlin - Image

Over the years, Berlin had lost its reputation as cultural tourism centre within Europe. This image changed abruptly in 1989 with the dismantling of the Berlin Wall sparking a massive renewed interest in the City. However, as interest in the Wall declined tourism also declined. Berlin was in a bad state with an over supply of hotel rooms and a decline in overnight guests.

Community leaders realised that in order to regain the market it had lost, innovation was key and in 1993 the Berlin Tourismus Marketing (BTM) a public-private partnership was set up to revitalise Berlin's image and increase the flow of visitors to the city. One year later Partners für Berlin was founded with a wider mandate to promote the city's image.

The first campaign initiated was called "The New Berlin" that exploited its unique position. Berlin made a fresh start as a new city and the possibilities abounded. The campaign highlighted buildings and programs that were particularly symbolic of the New Berlin and was supported by a wide variety of initiatives. Berlin's firemen and police participated in the "Securing Tolerance: a Sure Thing" campaign. The transit system ran "The New Berlin: Train by Train" campaign and the German Post painted vehicles with the slogan "We Deliver the New Berlin." The campaign was so successful that the slogan has become a familiar term characterizing the city.

After the completion of each major project an event was held to celebrate and publicize the new addition and the reconstruction prompted many new initiatives. Berlin exploded with activity and the spirit of the citizenry was high. To continue the celebration today the BTM hold a series of rewards that honour Berlin's Chefs, the taxi driver of the month and the friendliest Berlin hotels.

Waikiki – Visitor Services

The Waikiki Business Improvement District has initiated a security and hospitality program that features Aloha Patrol Officers (APOs). The APOs patrol the streets to provide a sense of safety and well being and to offer assistance and information (such as greeting people, approaching people that look even slightly lost, and offering assistance). They are tasked with being Waikiki's 'sidewalk ambassadors' and are trained on how to communicate effectively and interact with visitors, including having knowledge of Waikiki's history, culture and the tradition of "*aloha*".

This broad awareness campaign would likely include print and electronic media and one or more special events. The thrust of the campaign should go beyond the usual economic impact argument, to illustrate how tourism affects a wide cross section of industry. For example:

- The impact car rental companies have on the automotive sector;
- The impact of hotel purchases on suppliers of telecommunications, utilities, food manufacturing;

Using this approach, the Consultants believe it would be possible to enlist the support of major industry suppliers such as the print media, utilities, major car companies, the GTAA and telecommunication suppliers in funding this campaign. Going to market in association with recognized companies to promote tourism will highlight the importance of the sector and bring credibility.

A complementary message would be to generate excitement and pride about the quality and level of the cultural and recreational experiences available both in the city and the region. There is a need to dispel the image of being "old and tired," and encourage individuals to be a "tourist in your home town."

An innovative, vibrant approach is required for both the key messages and the communication strategy. To that end, the Consultants recommend that a competition be held amongst Toronto advertising and public relations agencies to develop the communication strategy. Any such communication strategy must have, as an integral element, a comprehensive series of measurement tools, benchmarks and objectives related to public awareness, understanding and support of the tourism sector.

2.2.3 Motivate visitor-friendly Torontonians

The City of Toronto, in partnership with Tourism Toronto should oversee the development of programs to motivate front line workers, or people that interact with visitors regularly and can impact upon the visitor experience. These workers include not just waiters and front desk clerks, but retailers, police, parking enforcement officers and transit workers that interact with visitors at key points.

These communication initiatives should celebrate Toronto successes. Awards programs and events that highlight individual effort and honour achievement should be incorporated into the communication strategy.

2.3 Priority Three: Enhancing Tourism Product

The perception that Toronto's tourism product is "old and tired" is not borne out by research. A recent study of Toronto attractions indicated that visitors to most of Toronto's large tourism and cultural attractions are very satisfied with the quality of the visitor experience. This perception was reinforced by interviews with out of market tour operators and event planners as part of this assignment.

The quality of major attractions is not the most pressing challenge facing the tourism sector in Toronto. While this could not be said twelve months ago, announcements concerning the Royal Ontario Museum, The Art Gallery of Ontario, The Ontario Science Centre, the Ricoh Coliseum at Exhibition Place and the Four Seasons' Centre clearly demonstrate that Toronto is entering another period of sustained growth in its tourism plant. Not since the 1970's has Toronto seen such an array of publicly supported attractions of interest to the leisure visitor.

It is critical, however, that Toronto avoid the "boom or bust" cycle of development that has characterized the industry for the past three decades. A long-term funding strategy must be developed to ensure that major publicly owned attractions have the resources available for ongoing programming, capital replacements and expansion.

The major developments now underway provide a solid platform on which to build. However, much can still be done to enhance the competitiveness of our product offering. Toronto faces considerable competition from cities that have added new attractions and expanded existing product over the past five years. Few significant "bricks and mortar" additions will occur over the next 30 months in Toronto. During this interval special events and packaged "tourism experiences" must play key roles in promoting Toronto as an attractive year round leisure destination. In addition, while Toronto has historically been viewed as clean and safe, our stakeholder interviews noted that Toronto is slipping in these important competitive criteria.

The Tourism Action Plan includes the following short and medium term recommendations for enhancing tourism product:

- Enhance the tourism impact of events produced by the City;
- Develop a tourism event strategy
- Implement a strategy to pursue major events
- Focus product development and packaging on unique, export ready products and attributes.
- Focus on quality of the urban environment

Priority Three: Enhancing Tourism Product

- **Enhance the tourism impact of City-run events.**
- **Develop a tourism event strategy**
- **Implement strategy to pursue major events**
- **Focus product development and packaging on unique, export ready products and attributes.**
- **Focus on the Quality of the urban environment**
- **Develop capital plans for city and provincially owned assets**

- Develop capital plans for city and provincially owned assets

It is also important to ensure the City works collaboratively with the recipients of the Super Build funding (ROM, AGO, OSC, Gardiner Museum, Four Seasons Centre) to more effectively communicate the changes these facilities will bring.

2.3.1 Enhance the tourism impact of City-run events

The 1992 Strategic Plan identified three major initiatives to enhance Toronto's tourism product inventory:

- Creation of a signature event or festival to support Toronto's image;
- Designation (and creation, if required) of 8 to 10 recurring events as "official" Toronto events, to be funded and supported by the City; and
- Coordinate the structuring of an event-bid team to develop a strategy for securing major one-time events.

Since these recommendations were tabled, a number of steps have been taken towards the realization of these goals.

Through Toronto Special Events (TSE), the City has become a major producer of special events and festivals in Toronto. TSE has identified three annual events that it defines as "Signature Events":

- Toronto Winterfest
- Cavalcade of Lights; and
- Celebrate Toronto Street Festival.

The vision for TSE calls for generating economic impact "by developing, producing, and marketing events that are innovative and appeal to a broad and evolving audience of tourists and residents." However, the effectiveness of TSE, and the actual tourism impact of these "signature events", is not widely understood by tourism operators.

While some would suggest that the City abandon its special event programs, the Consultants do not share this view. Arguably, most of the events produced by TSE draw only minimal impact from high yield target markets. However, these events help to animate the city and bolster community pride, all of which can indirectly support the tourism sector.

The Consultants do, however, question the need for the Tourism Division to play such a prominent role in the production and management of events. Unlike those aimed at bolstering community pride, tourism events have as a primary goal the generation of direct, incremental economic benefits through increased tourism visitation. As such, the Consultants believe that those receiving the lion's share of these benefits must assume greater responsibility for the ongoing stewardship of these events.

Accordingly, **the following guiding principles are recommended**. Tourism events supported by the City:

- Should be delivered through collaborative approaches, including but not limited to joint ventures, sponsorships and strategic alliances;
- Must meet a clear tourism sector need, either across the broad sector or to a specific priority sub-sector or area;
- Must be consistent with the City's Strategic Plan for the Tourism Sector;
- Must be sustainable, with consideration given to the requirements for long-term dependence on City resources; and
- Must clearly deliver, within an agreed upon timeframe, the expected benefits to the tourism sector.

The following criteria are recommended for consideration in identifying/designating tourism events:

- The estimated economic impact of an event considering number of participants, spectators, support teams and others, their length of stay and their estimated daily expenditure – tourism events must generate a material level of overnight visitation with the primary purpose being travel to the event (e.g. major tourism events in Montreal must achieve at least 25,000 ticketed spectators or 250,000 spectators if the event is free with at least 15% defined as tourists).
- The role of media and the potential to create awareness of or interest in the city as a tourism destination to the priority and/or developing markets for Toronto.
- Event frequency – giving preference to recurring events.
- Ability to secure significant private sector investment to ensure leverage of public funds.
- Fit within gaps in the Toronto event tourism calendar.

The Consultants believe an important role for the City is to support major events hosted by other entities, and act as an incubator for new events that fill a strategic niche in our annual tourism calendar. The Tourism Division should serve as an incubator for new events that have the potential to evolve into major tourist events. On an ongoing basis, the Consultants believe the City should provide support to major tourism events, through its asset base, municipal services, management resources and, in selected cases, financial support. However, long-term direct city management of such tourism events should only be considered when:

- No other service provider or organization is capable or willing to undertake the long-term event management; or

"The Tourism Division should serve as an incubator for new events that have the potential to evolve into major tourist events."

- Industry input has demonstrated that the City is the preferred service provider.

2.3.2 Develop a Tourism Event Strategy

The 1992 Strategic Plan recommended the development of a “signature event” to bolster Toronto’s image as a leisure destination. Such events – Carnival in Rio de Janeiro, Mardi Gras in New Orleans or Oktoberfest in Munich – have certainly had a profound impact on tourism in other jurisdictions. However, given the level of resources available to Toronto’s tourism sector, and the time required to establish such a signature event, the development of a new signature event cannot be a priority in the short to medium term. Instead, the primary objective should be the development of a year round calendar of major tourism events that reinforce Toronto’s positioning as a leisure tourism destination, and bolster travel during gaps in the high and low travel seasons.

The starting point for the development of this special event calendar must be the major events already staged in Toronto, particularly those where Toronto enjoys a unique, sustainable position in the marketplace. Caribana, Pride Celebrations and the Toronto International Film Festival would appear to meet many of the criteria for a major tourism event. Indeed, one or more of these could evolve into a Hallmark Event for Toronto.

From June through September Toronto hosts a number of events and festivals such as Taste of the Danforth, Sante, the Downtown Jazz Festival and the Beaches Jazz Festival. Some of these have the potential to become major tourism events. The event strategy should include the development of initiatives to enhance the level of overnight visitation generated by existing festivals and events.

Very few events are held between September and June that have the same potential as major summer season events. The event strategy should include incentives and risk mitigation strategies to encourage events in non-peak periods.

The Tourism Division’s role in special events should be twofold:

1. Work with existing events such as Sante, Taste of the Danforth and Caribana to enhance their tourism impact; and
2. Identify market niches and potential product market matches, and assist in creating strategic alliances or partnership agreements with third parties for the long-term management of new tourism events.

Accordingly, the Consultants recommend the following:

- Criteria should be developed to define and categorize tourism, signature, hallmark, blockbuster and community events.

- An independent review of all events produced by TSE should be undertaken to identify those with established or potential tourism impact ("Tourism Events"). This independent review should incorporate generally accepted research methodologies for sampling and impact analysis;
- For each of these Tourism Events, a strategy should be developed to maximize tourism impact. This strategy should include clear performance benchmarks, timetables and measurement tools.
- For each of these Tourism Events, a long-term management strategy should be established to shift event stewardship and management to the benefiting stakeholders. This strategy could include a long-term support agreement with the City;
- Events currently produced or supported by TSE that are of a community nature such as Kids Tuesdays and Sunday Serenades, etc., that have minimal tourism impact should be transferred from the Tourism Division to a more appropriate department or division, such as Parks and Recreation. The organization of the Division and TSE should be reviewed to ensure that it is appropriately resourced following this realignment of community events.
- Market research should be undertaken by the Division to identify New Tourism Events that support the Tourism Strategic Plan, with particular emphasis on events during gaps in the existing event calendar;
- For each of these New Tourism Events, a Business Plan should be developed by the Tourism Division to support the City's investment in the event. This Business Plan should address the delivery of event management support in a manner consistent with the guiding principles outlined earlier.
- The Division should develop a support framework for existing tourism events produced by third parties. This support framework should include, where appropriate, an incentive to reschedule existing events to produce a more balanced year 'round event calendar.

Coordination is required between City events and those being developed and/ or marketed by the Ontario Tourism Marketing Partnership.

2.3.3 Implement a Strategy to Pursue Major Events

In August 2002 the City announced the creation of Toronto International as part of the City's Tourism Division of Economic Development, Culture and Tourism (EDCT). The Tourism Division is now undertaking the groundwork required to move this initiative forward, included a review of governance models,

Chicago - Events

The Chicago Office of Tourism spearheads two city-wide promotion featuring new programming for leisure travellers, one in each of the winter and summer seasons. The promotions are a collaboration with the Mayors Office of Special Events, Illinois Bureau of Tourism and Chicago Convention and Tourist Bureau with American Express as a participating sponsor. The Illinois Bureau of Tourism funds the program at $1 million in marketing support for each season.

The promotion in the winter, Chicago Winter Delights, aims to promote Chicago in the low tourist season and combines special hotel rates with events and activities. The promotion includes cultural entertainment, family attraction, hospitality packages, special dining offers and shopping. This year Chicago Winter Delights is offering nine themed weekends that includes for example: Clown around Town (aimed at families and children); Tour the Treasures (featuring 2 for 1 admission at museums); Paint the Town Blues (featuring Chicago blues with concerts and lectures throughout the city). Participating restaurants offer price-fixed, themed menus and programming. Some of the packages include Immersion Weekends that includes a two-night stay at a first-class hotel, access to exclusive receptions hosted by arts experts, backstage tours and tickets for music, theatre and galleries. For its part the City of Chicago organizes a display of "luminous sculptures" and weekly fireworks.

funding strategies and preparation of an inventory of potential event targets.

The pursuit of international mega events has too often been driven by individual passion rather than an overarching City strategy. While the importance of individual commitment cannot be overemphasized, the City must be selective in choosing which event bids to support. The Consultants concur with the direction taken by EDCT in the creation of Toronto International, and with the business plan developed by the Division to bring this initiative to fruition. The Consultants recommend the following:

- Toronto International should be established to support selected bid organizing committees in their efforts to secure major sporting and cultural events;
- The City of Toronto should provide the initial funding to launch Toronto International;
- Support should be sought from both the Province of Ontario and the Government of Canada. This support should include ongoing funding for operation of the agency, as well as support for specific bid campaigns. In this regard, the Montreal Sports International Corporation should be investigated as a model for both funding and governance.
- Hosting guidelines should be established, identifying the nature and extent of support available and incentives to event organizers and governing bodies;

Unless the governing body has clearly stated a requirement for bids to be submitted by the municipality, the City of Toronto or Toronto International should not act as the bid committee.

The Advisory Committee should provide direction to Toronto International to ensure its efforts remain coordinated with the Tourism Sector Strategic Plan. As well, the mandate and strategy for Toronto International should be coordinated with the ongoing efforts of Tourism Toronto, Exhibition Place, the National Trade Centre and the Metro Toronto Convention Centre (MTCC) to ensure clarity of focus, and avoid duplication of efforts.

2.3.4 Product Development and Packaging

Many tourism destinations in North America have followed the same path in the development of their tourism plant- the provision of major pubic assembly facilities, professional sports teams, festival retail, and casino gaming. In recent years, due in part to the prominence of the Guggenheim Museum in Bilbao and the Tate Modern Gallery in London, development efforts have focused on cultural attractions. Toronto's path in terms of the development of major attractions, therefore, does not suggest these assets alone will provide the city with a sustainable competitive advantage. As important as these additions to the cultural inventory are, Toronto must look beyond its cultural assets for sustainable competitive advantages. Long-term success will come from promoting what is truly unique about Toronto.

The packaging of tourist experiences has been repeatedly cited as a means of enhancing our tourism product. However, packaging cannot be looked upon as a quick fix. Assembling a bundle of tourist experiences into a marketable package is a labour intensive and often frustrating process. The operators that are looking for packaging opportunities are very often the small to medium size businesses that lack the resources to access outlying markets on their own. In far too many cases, these operators do not have a product or service that is export ready. And it must be recognized that the return on investment for many packages is not high, particularly if they are purchased by day trip or VFR tourists.

Destination marketing organizations that have been successful in developing packages with small operators invariably have substantial seed money to cover the staffing and related costs of developing and implementing these packages, and can match operator contributions to expand the reach of these packages. As our unique attributes are often best represented by small and medium sized operations, Toronto must find the means to bring more of these opportunities to the market. The City's long-term success depends on finding a way to increase the resources devoted to leisure destination marketing.

"The City's long-term success depends on finding a way to increase the resources devoted to leisure destination marketing."

"City Cards" are an increasingly popular means of tourism promotion in Europe. These cards combine a number of value-added features such as public transit, discounts for tourism related goods and services or free admissions to publicly operated attractions. Such a program offers a number of advantages to Toronto's tourism sector:

- The offer is scaleable--both small and large operators can place their products and services into a broad distribution network at a relatively low cost;
- By using smart-card technology, the program can be expanded to a range of database marketing initiatives;

Dublin Ireland – IQM in Action

In 1998 the City of Dublin attracted 3 million visitors with just less than half coming from the UK, 27% from elsewhere in Europe and 20% from the US. In 1996 Dublin ranked 7th among the most visited towns and cities in Europe. In 1994 Dublin Tourism prepared a 5-year IQM plan in response to the need to make the city more competitive. Dublin Tourism is the official agency responsible for developing, promoting and supplying tourism services and is governed by a management board comprised of representatives from the Irish national Visitor Board, neighbouring municipalities and counties and the various professional associations.

The plan contained a number of infrastructure projects and urban renewal initiatives, including:

- Building a new national conference centre
- Extensions of the railway lines to improve accessibility
- A ring road to relieve congestion
- Renewal of disused port lands
- Tidy Town competition to encourage local councils to protect the overall environment – buildings, landscape, cultural heritage, access routes, waste management and law and order
- European Blue Flag program for public beaches

A regional strategic plan was developed to supplement this IQM plan.

Through the 1990's Dublin experienced the highest growth in visitor visitation of any European city.

- Once established, the proceeds from this initiative can support a more comprehensive leisure destination marketing strategy

The Toronto Museum Passport, now in its fourth year, could provide the foundation on which to build a broader City Card initiative. We recommend that the Tourism Division, in partnership with Tourism Toronto, investigate the viability of a Tourism Card similar to those offered in many European cities. Seed money will be required to launch such an initiative, and the Consultants recommend that funds be provided by the Tourism Division to underwrite this project. While the City should be a partner in this initiative if launched, the operational aspects should be undertaken by Tourism Toronto

2.3.5 Focus on the Quality of the Urban Environment

In order to maximize the economic impact of tourism in a sustainable manner while enhancing the quality of life for local residents and businesses, a number of European cities have adopted a consistent approach — Integrated Quality Management (IQM).

The IQM process recognizes that the visitor experience is affected by many organizations in both the public and private sector—from the obvious (such as attractions, rickshaw drivers and accommodations) to the less obvious (such as police and public works). A more detailed description of IQM is included in Appendix E.

The Consultants recommend the Tourism Division oversee the development of a pilot IQM program focused on urban environmental issues. To focus the initial effort the program should be piloted in the downtown core and focus on three issues only:

- Security, to address concerns about crime, panhandling and vagrancy;
- Quality of the urban environment, to address the cleanliness of streets and maintenance of public spaces; and,
- Visitor services, to address the availability and distribution of visitor assistance, language and accessibility issues in public transit and public places, taxi services (cleanliness, language, visitor assistance, short fare policies, inspection)

2.3.6 Capital Plans for City and Provincially owned attractions

In reviewing urban redevelopment strategies for other North American cities, it became apparent that development of a common vision for tourism investment is an important prerequisite to success. The identification of new capital assets was undertaken at a very early stage in the planning process, and efforts of both private and public sector stakeholders were aligned to bring these projects to fruition.

Major tourism assets in Toronto are owned by private sector interests and all levels of government. The development of a common vision and integrated strategy for long-term development, therefore, is a complex task. However, past success in expanding the convention centre and with development of the National Trade Centre clearly demonstrates what can be achieved when stakeholders from the private sector and all levels of government are aligned behind a common vision.

Planning for City Attractions

The City of Toronto owns a significant inventory of cultural and heritage facilities, which are operated largely by the Culture Division of EDCT. Some of these provide the venue for the performing arts that constitute an important element of our tourism product inventory. Others tell the story of our settlement, growth and heritage. Many of these venues are suffering from deferred maintenance. A number of key City-owned attractions are experiencing a loss of visitation and market share, due in part to a shortage of funds for upgrading, re-imaging or expansion. Included in this category are Fort York, Spadina House and Casa Loma.

At its meeting of June 9, 2000, Council directed the Commission of Economic Development, Culture and Tourism to develop a Culture Plan for the City of Toronto. In May 2001 Council established a Steering Committee chaired by the Chair of Economic Development and Parks Committee to guide the development of the City of Toronto Culture Plan. This plan, which is nearing completion, addresses the long-term vision for the City's cultural and heritage assets. The Plan will include strategies for private sector involvement in redevelopment, renovation or enhancement programs where appropriate.

Long-term plans for all existing and proposed City-owned attractions, cultural and heritage assets should be provided to the Tourism Advisory Committee by the Culture Division for consideration in its Strategic Plan.

Planning for Provincial Attractions

Many of the city's most important tourism attractions are owned and operated through various ministries of the Government of Ontario. Just as with the City-owned attractions, the long-term vision and plans for key provincial assets such as the Royal Ontario Museum, Art Gallery of Ontario, Ontario Place, the Metro Toronto Convention Centre and the Ontario Science Centre must be considered.

The Tourism Division, working with the management of each of these attractions, should coordinate the assembly of long-term plans for the major provincially owned attractions. These plans should be provided to the Tourism Advisory Committee for consideration in its Strategic Plan.

". . .development of a common vision for tourism investment is an important prerequisite to success. . ."

Priority Four: An Investment Friendly City

- **Develop innovative and flexible financing and incentive models**
- **Enhance the quality of the urban environment**
- **Seek investment to capitalize on unique attributes**
- **Effective destination marketing**

2.4 Priority Four: An Investment Friendly City

A critical success factor for any urban destination is ongoing investment in new, enhanced or expanded attractions and services. Currently Toronto is undergoing a major public sector investment thrust. This should ignite increased private sector investment interest. In order to capitalize on and sustain the private sector interest, Toronto should be more proactive in soliciting investment. The increasingly competitive environment for attracting tourism investment, combined with declining visitation presents a significant challenge. The tourism sector, working with other economic sectors, needs to focus on making Toronto more investment friendly.

As noted in the 2001 Tourism Investment Study, development expertise, capital and recognized brands have become valuable commodities as cities around the world seek to capitalize on the growing demand for urban tourism. Attracting these elements has become a highly competitive endeavour. In selecting their next project, developers of tourism attractions consider:

- Quality of the market (population, visitation);
- Established or potential long-term demand for their product;
- Cost of doing business and availability of incentives;
- Availability and cost of capital;
- Quality of place;
- Level of investment in tourism product and related infrastructure; and
- Scale and effectiveness of marketing by the local Destination Marketing Organization.

On the first point, Toronto ranks very favourably with other major international markets. Amongst North American developers and retailers, in particular, there is strong awareness of the scope of our market and our importance as a regional and national centre of business.

On the second point, Toronto also ranks very favourably. Major international retailers have successfully located in Toronto; attendance at professional sporting events is generally high, travelling cultural exhibits have drawn strong visitations, and our market for live theatre is amongst the strongest in the world. In other words, there are very few urban tourism products that cannot be successfully established in Toronto.

Our attractiveness as a destination for investment begins to suffer when the remaining factors are considered.

2.4.1 Develop flexible financing and incentive models

Toronto, like most major Canadian cities, is not competitive when it comes to offering development incentives. Programs such as Tax Increment Financing that lower the overall project cost, or that can be converted to development equity, would allow Toronto to compete with major U.S. cities in attracting development capital. Model programs exist throughout North America that allow municipalities to offer incentives that increase long term municipal tax revenue while having no adverse short-term impact on local tax revenues. As such programs benefit many economic sectors, the strategy to move these initiatives forward in Toronto should not rest with the Tourism Division, but with EDCT and city leaders.

It is recommended that the City work to create a favourable economic climate by removing or reducing barriers to profitability and providing the private and public sector stakeholders the tools required to compete effectively in the North American marketplace.

2.4.2 Enhance the quality of the urban environment

As previously noted, quality of place refers to a combination of environmental quality along with the amenities and lifestyle in a city. Toronto has long been recognized for the quality of its urban environment – a relatively pristine waterfront, urban greenspaces, clean and safe streets. While many event planners and tour operators still rank Toronto favourably on these attributes, there has been a noticeable decline in the quality of our urban environment. Homelessness has become a more pressing issue, as has the cleanliness of our streets. Developers focus on trends, and the decline in these factors, coupled with the lack of apparent solutions, is a deterrent to those considering major capital projects. Before Toronto can convince others to view the city as a favourable destination for tourism investment, this attitude must be widely held within our own city. Factors important to the long-term health of our tourism industry must be addressed, including the quality of tourism and municipal infrastructure, the quality of the urban environment, public safety and social issues.

The Strategic Plan should examine the viability of programs (e.g. awards, awareness campaigns) to enhance the quality of place, in particular the urban environment in the downtown core and the waterfront.

2.4.3 Seek investment to capitalize on unique attributes

In 2001 the lack of investment in new tourism product was cited as a deterrent to attracting outside capital. However, the major investments announced over the past six coupled with the ongoing work at Pearson International Airport, represent a very positive story that needs to be promoted to potential

". . .culture and tourism must be more prominently featured in the funding model for the Toronto Waterfront Revitalization Corporation . . . "

developers. Other initiatives such as redevelopment of the Gooderham & Worts site and Union Station will further enhance our ability to attract tourism capital.

Toronto's waterfront is viewed by many as a prime location for tourism development. The *Waterfront Culture and Heritage Infrastructure Plan* provided a context for implementing a waterfront vision centred on cultural resources. The Toronto Waterfront Revitalization Corporation also cited the importance of tourism and cultural attractions on the waterfront. However, the timing, scope and direction of waterfront redevelopment must be clarified before significant private sector interest can be secured. Furthermore, culture and tourism must be more prominently featured in the funding model for the Toronto Waterfront Revitalization Corporation, which at present does not contain sufficient public investment to fund the development of major tourism, cultural or heritage attractions.

As was stated in the 2001 Toronto Tourism Investment Study, the City needs to focus on attributes that are unique to Toronto and that cannot be duplicated with bricks and mortar in other cities, including:

- Multi-cultural heritage;
- Indigenous industries; and
- Proximity to other natural resources (nature in the city and in adjacent regions).

It is recommended that Toronto's tourism sector work together with Economic Development to proactively seek investment on an ongoing basis, and focus that investment on tourism development that builds on Toronto's unique attributes.

2.4.4 Effective destination marketing

One of the key considerations for tourism developers and investors is the level and effectiveness of destination marketing. Strong tourism attractions and effective destination marketing ensure the positive destination image and strong market opportunity necessary for a profitable new tourism venture. As discussed in the following section, Toronto is not competitive when it comes to marketing and promoting. Recommendations relating to the marketing can be found in the next section.

2.5 Priority Five: Increasing Marketing Reach and Impact

When the *Competitive Tourism Development Strategy for Metropolitan Toronto* was released in 1992, Tourism Toronto was regarded as a "competitively funded" destination marketing organization, in the same league as other top tier North American cities. In addition to the business- and leisure-oriented sales and marketing efforts of Tourism Toronto, numerous other channels generated awareness of Toronto as an attractive destination, including Livent (with a $10 million annual advertising budget), the Toronto Blue Jays (poised for back-to-back World Series' wins), major events such as the Barnes Exhibit and the soon-to-be announced (now completed) expansion of the Metro Toronto Convention Centre.

But times have changed. Leisure visitation to Toronto is down…way down. While some success has been evidenced in the convention sector, as well as in VFR segments, the conclusion in the 1992 *Competitive Tourism Development Strategy for Metropolitan Toronto* still holds true, specifically…"for Toronto to be a successful convention destination it must first be a successful leisure destination." As a result, building ***awareness*** of Toronto as an appealing and attractive urban destination must be a sustained marketing priority. And not just within Toronto. Consider that:

- Toronto is the principal air and rail gateway to Ontario as well as hosting significant vehicle traffic.
- Pearson International Airport handles more than 60% of all international air travel to Canada.
- Toronto's hotels, attractions and entertainment venues represent the largest pool of marketing dollars of any Canadian destination.

As a result, no comprehensive marketing plan for the Ontario or Canadian tourism industry is complete without a significant role for and contribution from Toronto. Over the past several years however, Toronto's ability to market itself independently or in conjunction with provincial and federal "partners" has been severely handicapped as a result of insufficient marketing resources and a less than strategic marketing focus. For example:

- Tourism Toronto's budget of $9.3 million is about 50% of Montreal's $17.8 million in revenue from municipal and provincial funding, lodging tax and membership fees. Vancouver derives more than $10 million for its marketing budget from hotel taxes and membership fees. Tourism Toronto's 2003 operating budget is about 45% below its 1992 operating budget.
- The national and provincial marketing partnership approach relies on matching dollars between public and private

Priority Five: Increasing Market Reach and Impact

- **Leverage market research**
- **Increase awareness and focus on existing and potential niche markets**
- **Capitalize on the forthcoming cultural renaissance in Toronto**
- **Expand access to sport, theatre and related leisure products**
- **Build stronger relationships with adjacent jurisdictions**
- **Increase marketing resources**

sectors and among various tourism businesses/ organizations. Toronto does not have the resources to participate in any but the most basic matching programs.

- The recent focus on convention sales (which has proven to be quite successful) has resulted in effectively "mortgaging" Toronto's leisure market in favour of the convention sector—an approach not sustainable over the long term.

As of 2003, Toronto's position in the North American and international tourism marketplace has been diminished. Toronto is becoming a harder sell as a result of eroding awareness and the increased "noise" and aggressiveness of Toronto's key competitors. Increasing marketing reach and impact will be a function of not only additional marketing resources but also more efficient use of existing and future resources. The Action Plan includes two over-arching objectives:

1. More efficient use and focus of marketing resources to ensure awareness of Toronto as an attractive leisure (and convention) destination by:

- Leveraging market research and knowledge of Toronto customers to a much greater extent.
- Increasing overall awareness and focusing on existing and potential niche markets.
- Capitalizing on the forthcoming renaissance among Toronto's premiere cultural attractions (e.g., Royal Ontario Museum, Art Gallery of Ontario) and planned facilities (e.g., Four Seasons Centre for the Performing Arts).
- Positioning sport, theatre and related entertainment products.
- Developing stronger relationships with other levels of government and adjacent destinations (e.g., Niagara Falls, Muskoka).
- More focus on leisure markets and relationships.

2. Greater marketing resources over the short and long terms, specifically,

- A short-term plan to address immediate (i.e., 2003 and 2004) needs; and,

  A longer-term plan focused on substantially increasing and maintaining marketing resources from 2004 onwards.

Discussion on each of the action items is presented below.

2.5.1 Leveraging market research

In times of reduced resources, even greater emphasis needs to be placed on understanding Toronto's market opportunities, ensuring products are matched with these markets and monitoring visitor satisfaction. Toronto's current market research efforts—and much of the research efforts at the provincial level (both OTMP and MTR)--are focused mostly on historical performance analysis (e.g., number of visitors, hotel occupancies, cross-border statistics). While such historical data provides interesting comparisons, it has limited benefit in planning marketing strategy or helping to stay focused on building product - market matches.

Tourism Toronto and the Tourism Division need to work more closely with OTMP and the Ministry of Tourism and Recreation in the identification and conduct of appropriate consumer and market research. As a starting point all ongoing Toronto specific research efforts should be reviewed with the view of determining relevancy (against pre determined criteria) and all existing research should be catalogued and made available for more universal use. Consideration should be given to harmonizing the existing visitation statistics to avoid confusion over differing numbers from Tourism Toronto and the Province. Future coordinated research efforts by Tourism Toronto and the Ministry of Tourism and Recreation should focus on two areas. First, the conduct of broad awareness and consumer interest research directed to the larger geographic source markets for Toronto and Ontario visitors. The Canadian Tourism Commission's market research efforts should be used wherever possible. The second, and probably more relevant, research focus should be directed to learning more about niche markets where Toronto offers export ready product. These markets include live theatre, spectator sports, gay and lesbian tourism, the African-American market and the like. Markets where Toronto already enjoys a strong competitive advantage should be clearly delineated as the primary research focal point.

The research role for the Tourism Division should be to work with the Ministry of Tourism and Recreation in defining priorities and developing appropriate methodologies and plans for evaluating visitor satisfaction, tourism event visitation, economic impact, benchmarking and other tourism service and infrastructure related research.

2.5.2 Increase focus on existing and potential niche markets

Toronto has an established reputation in many business- and leisure-market segments. However, overall awareness of the destination is waning. Selling tourism, as with any consumer product, requires sustained awareness, differentiation from competitive choices, communication of key competitive advantages and frequent "calls to action". Building awareness is not just a function of traditional advertising but encompasses the full range of marketing channels, including individual and group sales, public relations, travel press liaison, partnership marketing and the like.

Awareness must be linked to Toronto as an identified "brand." Much more than just a mark or logo, Toronto's tourism brand needs to be relevant to all potential market segments regardless of trip purpose, geographic origin or niche segment. The brand should be compatible with provincial and national marketing efforts. If the City's branding strategy (including any logos, wordmarks, slogans and images) is to be incorporated into destination marketing initiatives, it must be compatible with the marketing and sales strategies of Tourism Toronto and the other players involved in destination marketing.

2.5.3 Capitalize on the forthcoming cultural renaissance

Over the next few years millions will be invested in expansion of the Art Gallery of Ontario, the Royal Ontario Museum, and the Ontario Science Centre. Renovation and redevelopment proposals also exist for the Hummingbird Centre, the Toronto Zoo and smaller municipally- and provincially-owned attractions. In addition, the federal and provincial governments have committed to support the construction of the Four Seasons Centre.

While each of these facilities is (or will be) an integral part of Toronto's tourism product offering, the degree to which they are positioned as tourism "products" varies widely. Even the more aggressive marketers such as the Royal Ontario Museum tend to focus their special exhibit marketing campaigns on the "416 and 905" market area. To be fair, the Ontario Ministry of Culture's mandate is not the same as that of the Ministry of Tourism and Recreation. However, tourism use of these cultural and recreational assets can co-exist with resident use. In fact, tourism use should be encouraged if for no other reason than the level of investment by the provincial and municipal governments in such infrastructure.

The expected cultural renaissance that will begin in 2006, as the renovation and expansion of these cultural assets is completed, should be a catalyst to better position Toronto's cultural assets as a unique selling feature. Concerted marketing efforts leading up to 2006 should be followed by sustainable marketing budgets to properly position these assets as part of the tourism product offering. Marketing efforts should extend beyond the 416/905 areas. Co-operative marketing between these cultural facilities should be encouraged (as is happening already with joint market research initiatives), as should partnerships with contrasting attractions and related tourism sectors—both public and private sector.

The Culture Division of the City of Toronto, Tourism Toronto and management of these major cultural attractions should work together to encourage Queen's Park to dedicate additional resources to incremental marketing programs to build awareness of these major developments outside of the GTA.

2.5.4 Expand access to sport, theatre and related products

Toronto offers a host of leisure activities including professional sports (e.g., Toronto Maple Leafs, Toronto Raptors, Toronto Blue Jays), long-running theatrical productions (e.g., Lion King, Mamma Mia) and special events (e.g., Molson Indy). These activities are successfully marketed primarily to the resident and regional market, to the point where only modest opportunities exist for positioning as extra-regional tourism products. As with Toronto's cultural attractions however, these sport and theatre activities enjoy awareness outside the resident market—in some cases to a much greater extent due to regular media coverage.

During the early 1990's a Blue Jays ticket was a much more valuable and scarce commodity than today. Maple Leaf tickets are sold out on an annual basis. Availability of tickets for theatre productions varies by show and length of run.

From a business viewpoint, attracting local residents to a hockey game or theatrical production is less expensive than attracting non-residents. The value of these products as visitor attractions is less apparent to the owners and promoters than it is to the tourism industry. Visitors from outside the GTA, and in particular those from outside the province, bring new expenditures to Toronto, generating incremental tax revenue and employment. As a result, Tourism Toronto should be encouraged to seek avenues to create dependable access to these products without compromising the business interests of the promoters. Such approaches to realizing the tourism potential of sport, theatre and other related activities may include, for example, committing to ticket blocks at the commencement of the season and working with ground tour operators to purchase blocks.

2.5.5 Build stronger relationships with adjacent jurisdictions

While the adage "what's good for Toronto is good for Ontario "may be a tougher sell outside the GTA, the fact remains that ignoring Toronto does a disservice to the entire provincial tourism industry. Numerous examples exist where major urban markets (and gateways) have been the focus of tourism marketing to the benefit not only of the urban destination but also the broader area. Chicago, London, Berlin and Sydney are each capital cities and the dominant economic centre of their respective market areas. In each case, tourism marketing authorities at all levels have recognized the value of the 'gateway' in building a broader marketing campaign. The Ontario (and Canadian) tourism marketing strategy is incomplete without a similar profile for Toronto.

The recent resource shortfall facing Tourism Toronto and the partnership funding structure of both the Ontario Tourism Marketing Partnership and the Canadian Tourism Commission has limited Toronto's ability to gain exposure within provincial and national marketing publications.

In addition to working with its federal and provincial counterparts, Tourism Toronto should be engaged to a much greater extent with destination marketing organizations within the broader market area, including Niagara Falls, Niagara-on-the-Lake, Stratford and Muskoka. From the visitor's point-of-view, particularly the leisure visitor, "Toronto" is a composite of a variety of experiences, not just those found within the municipal boundaries.

2.5.6 Increase marketing resources

In 1985, Vancouver was the first Canadian city to adopt a hotel tax (2% on the room rate for each night's stay). Since then Victoria, Whistler, Montreal, Quebec City and Halifax, among others, have instituted some form of tax. Canadian hotel taxation revenue has been largely dedicated to marketing. In the United States, visitor taxes (including taxes applied to hotels, car rental and restaurant meals) have been used to fund not only marketing but also projects ranging from convention centres to football stadiums and arts programs.

The implementation of hotel marketing taxes has taken destination marketing in major North American cities to a new level. Prior to 1985, destination marketing organizations across Canada received a significant share of their budget from direct municipal grants. Toronto's budget compared very favourably to those of its major competitors, and our market awareness was high. Hotel taxes have allowed cities such as Montreal and Vancouver to significantly expand their marketing reach. Without access to similar resources, Tourism Toronto's marketing budget has declined significantly in relation to its competitors.

The Province of Ontario considers the introduction of a hotel tax to be inconsistent with its policy platform. Accordingly, the short-term planning context for this Action Plan assumes no destination marketing funds from any form of hotel tax.

In the short term, a "made in Toronto" solution must be found to increase the resources available for destination marketing.
However, it must be acknowledged that without access to "user pay" revenues, putting the full burden for destination marketing on the City and the industry will place Toronto at a competitive disadvantage in the long term.

The Consultants recommend a two-stage approach to address funding requirements over both the short and long terms as follows:

Short term—The Greater Toronto Hotel Association (GTHA) is working to form a consensus among downtown hotels (eventually to include airport, suburban and other GTA hotels) to participate in a self-imposed 3% levy that would mirror a hotel tax. All funds raised via this levy would be available to Tourism Toronto for destination marketing. The GTHA should be encouraged by Tourism Toronto, the City of Toronto and all Toronto tourism stakeholders to continue pursuing this initiative.

In the absence of a voluntary solution to the visitor levy issue, the City of Toronto is encouraged to increase its financial support for destination marketing initiatives—such support may also be required to "top up" marketing resources generated through a visitor levy. The ultimate goal is to ensure that Tourism Toronto's total destination marketing budget, including funds from membership, sponsorship and voluntary levies, is at a competitive level with Vancouver, Montreal and our major US competitors. The City's financial contribution may be program or initiative specific, or can be directed towards rebuilding the organizational capacity of Tourism Toronto. Regardless of the use of funds, the City's financial support for enhanced destination marketing should be demonstrable and committed over at least the medium term to permit effective planning.

Long term—We are not aware of any major jurisdiction in North America that has successfully funded a competitive destination marketing organization through a self-imposed (essentially voluntary) levy or other revenue enhancement strategies. Nor are we aware of any major destination marketing organization that receives direct municipal funding equivalent to the sums raised through hotel marketing taxes. Simply put, the introduction of hotel marketing taxes in major markets has permanently changed the landscape for destination marketing organizations.

Accordingly, the Consultants do not believe a voluntary level or increase in the City's grant to be an effective long-term solution to Toronto's marketing resource shortfall. To this end the GTHA, with support from other urban hotel associations, the City of Toronto, Tourism Toronto and all stakeholders in the municipal tourism industry, should continue to encourage the provincial government to enable a hotel tax. While a hotel tax places a greater burden on the visitors to the accommodation sector than on all other segments of the tourism industry, this approach is now commonplace amongst the North American tourism industry. Without some form of stabilized, long-term user-pay funding mechanism, Tourism Toronto's ability to market the destination is placed at a growing disadvantage vis a vis its competitors. Toronto's position in the national, North American and international tourism marketplace will continue to erode as destination awareness fades.

Appendices

Appendix A

Stakeholders Interviewed
Jean Lam, Assistant Deputy Minister, Ministry of Tourism and Recreation
Bill Kenny Acting President and CEO, Ontario Tourism Marketing Partnership
Sheila Larmer, Director, Tourism Branch, Ministry of Tourism and Recreation
Rita Scagnetti, Assistant Deputy Minister, Ontario Culture
Michael Langford, Director, Investment Development Office, Ministry of Tourism and Recreation
Alex Athanasakos; Research/ Policy; Ministry of Tourism and Recreation
Rita Davies, Managing Director, Culture Division, City of Toronto
Kathleen Sharpe, Director, Ontario Cultural Attractions Fund
Rod Seiling, President, Greater Toronto Hotel Association
Joe Halstead, Commissioner, Economic Development, Culture and Tourism, City of Toronto
Denzil Minnan-Wong, Councillor, City of Toronto
Joe Pantalone, Councillor, City of Toronto
David Miller, Councillor, City of Toronto
Kyle Rae, Councillor, City of Toronto
Terry Mundell, President and CEO, Ontario Restaurant, Hotel and Motel Association
Brian Ashton, Councillor, City of Toronto
Joel Peters, Vice President Marketing, Royal Ontario Museum
Kathryn Reed Garrett, Director, Business Development, Exhibition Place
Bill Duron, Executive Vice President, St. Joseph Corporation
Marion Joppe, Associate Professor, Ryerson University
Cal White, CEO, Toronto Zoo
Patrick Gedge, Canadian Tourism Commission
Douglas Fyfe, Canadian Tourism Commission
Tourism Division Staff, EDCT, City of Toronto

Interview Questions
Why do you think Toronto is losing market share?
What are the top three competitive strengths for Toronto?
What are the top three competitive weaknesses for Toronto?
How is Toronto perceived in the marketplace – domestic, US, international?
Top five issues facing the Toronto tourism industry and preventing it from reversing the trend in market share?
Are there any immediate opportunities we could capitalize on, that don’t require enabling legislation or significant new resources?
What other cities in North America are doing things better?
The primary role for the City’s Tourism Division?
How can the tourism industry work together and coordinate efforts?
How can Toronto entice more private sector tourism investment?

Appendix B

Out of Market Interviews

Dave Lutz, Conferon
Cathy Nash, American Psychiatric Association
Louise Pochelski, Council for Logistics Management
Judy Larson, American Academy for Neurology
Ralph Johansen, CTC Representative in Boston
Lauren Kramer-Whelan, American Academy of Otolarnology
Alisa de Gaspe Beaubien, Yankee Holidays,
Greg Talley, Talley Management Group
Terry Russell, Operations and Product Development Manager, Keytours
Cyndi Zesk, Director of Marketing, Collette Vacations
Bill McFarlin, International Association of Jazz Education
Connie Relihan, Cartan Tours
Virgil Lengel, Lakefront Lines Inc

The following is the list of typical questions that were posed during each interview:

1. What are the top three attributes you or your clients look for in an urban or city destination? How does Toronto rank against these three attributes?
2. How is Toronto perceived as an urban destination?
3. What do you see as the top three competitive disadvantages for Toronto as an urban destination?
4. What are the top three competitive advantages that Toronto offers? Does the industry sufficiently capitalize on these advantages?
5. What would your primary recommendation be to the Toronto tourism industry in order to better service your needs or cater to your clients?
6. What other North American cities are Toronto's primary competitors? What are they doing particularly well?
7. What other recommendations would you suggest to Toronto to improve its competitive position?

Appendix C – Tourism Summit Summary

To kick-start the development of the action plan and solicit industry and community input from a broad range of stakeholders, the Tourism Division of the City of Toronto held a half day workshop on January 22, 2003. Approximately 100 stakeholders from across the public and private sector attended. The list of attendees is shown below.

The workshop was organized to ensure as much participation as possible within a relatively short space of time. The participants were assigned seating at tables, ensuring diversity across the sectors at each table, and a Facilitator to keep the discussions on track.

After a brief introduction and presentation of the issues, the floor was turned over to the participants. Each of the tables was asked to discuss and rate the top three priorities short term and then long term from the long list of issues presented on the following page. The top short term and long term priorities were reported out to the group by each of the tables.

The second set of discussions focused on the solutions for each of the top issues identified. And again each of the tables reported out to the group at the conclusion of the time allotted.

The priorities and solutions raised during the workshop were collated by the Tourism Division turned over to the consultant as input to the development of the action plan.

LAST NAME, First Name	Company Name
AGUIAR, Joe	Queen's Quay Terminal
ALLAN, Elyse	The Toronto Board of Trade
ANDERSON, Kathryn	City of Toronto – Tourism Division
ARMSTRONG, Marc	Kingbridge Centre
ASHTON, Brian	City of Toronto – Councillor
BAXTER, Clive	Cadillac Fairview
BEDNAR, David	Canadian National Exhibition
BERMAN, John	Cityscape Development Corporation
BERRY, Rob	**City of Toronto – Tourism Division**
BOYLE, Don	City of Toronto – Parks & Recreation
BRADBURY, Guy	Sport Alliance of Ontario
BRADLEY, Lindsay	Beaches International Jazz Festival
BRAMBILLA, Dan	Hummingbird Centre for the Performing Arts
BROWN, William	Best Western Carlton Place
BUND, Paula	KPMG
BUJOUVES, Vivie	Student (Jamie's Contact)
BURNETT, Stephen	Great Lakes Cruising
CARNCROSS, Gordon	Starwood Hotels & Resorts
CARR, Betty	Metroland Printing, Publishing & Distribution
CARROLL, Michelle	Toronto Board of Trade
CARTWRIGHT, Wende	Royal Conservatory of Music
CHESTER, Frank	Pride Toronto
CHILELLI, Lido	Beaches International Jazz Festival
CLARK, Shey	Great Lakes Schooner Company
CLARKE, Cecil	Pan Trinbago Canada Ensemble Pan Jazz
CLIFFORD, Paul	Hotel Employees, Restaurant Employees Union – Local 75
COOPER, Virginia	Casa Loma
COSWAY, Greg	Cottage Creek Corporation/ Eventrix
COUSENS, Tony	Le Royal Meridien King Edward Hotel
CURRIE, Kevin	Green Tourism Association
De-LANGE - Briar	Bloor-Yorkville Business Improvement Area
DRAKE, Julia	National Ballet of Canada

LAST NAME, First Name	Company Name
DURON, Bill	St. Joseph's
EBNER, Joe	Delta Chelsea Inn
FAGAN, Michael	LCBO
FRIENDLY, Lynda	The Design Exchange
GATENBY, Greg	International Festival of Authors, Harbourfront
GESA, Nina	City of Toronto, Tourism Division
GIANCOLA, Gino	Toronto Convention & Visitors Association
GOOD-DRAPER, Gloria	City of Toronto, HR Facilitator
GRAHAM, Blair	WHERE Toronto Magazine
GRAHAM, Bruce	City of Toronto, Economic Development
GRAHAM-NUTTER, Sue	GreekTown on the Danforth B.I.A.
GRUBER, Ken	Delta Chelsea Inn
HALL, Lyle	KPMG – Hospitality, Leisure & Tourism
HALSTEAD, Joe	City of Toronto, Commissioner EDCT
HAWKINS, Cameron	Cameron Hawkins & Associates Inc.
HOGAN, Bob	Ontario Science Centre
HOHOL, Fran	Pannell Kerr Forster
HOSKING, Tricia	Toronto Convention & Visitors Association
HUGHES, Bob	The Toronto Transit Commission
HUTCHINSON, Bruce	Harbourfront Centre (for William Boyle)
IVERS, Damian	Great Lakes Schooner Company
JAMIESON, Brian	Green Tourism Association, Inc.
JOPPE, Marion	Ryerson University
KARAMAT, Sherrif	Toronto Convention & Visitors Association
KENNY, Bill	Ontario Tourism Marketing Partnership Corp.
KOROPESKI, Andy	City of Toronto, Transportation Services
KOSICH, Michael	Mariposa Cruise Line Ltd.
KRALJEVIC, Rachael	Queen's Quay Terminal
KUCHARSKI, Monica	City of Toronto, Economic Development
LANDON, Kathleen	City of Toronto – Tourism Division
LEGG, Douglass	Ontario Ministry of Tourism, Culture & Rec.
LI, Winnie	City of Toronto, Communications
LIBRECZ, Brenda	City of Toronto, Exe. Dir., Eco. Dev.
LORD, Gail	Lord Cultural Resources, Planning and Management

LAST NAME, First Name	Company Name
LOTIN, Henry	Industry Canada
LUK, Fred	Toronto Entertainment District Association
LUM, Shirley	A Taste of the World
MacKEEN, Beverly	Canadian Stage Company
MacMILLAN, Bruce	Tourism Toronto
MAH, Harold	City of Toronto, Tourism Division
MAIN, Richard	Toronto Airport Marriott Hotel
MARSH, Paul	Toronto Parking Authority
MAXWELL, Jamie	City of Toronto, Tourism Division
McCLUNG, David	Baxter Publishing
McGRATH, Trish	Word on the Street – Toronto
MCNEIL, Ray	City of Toronto, Tourism Division
MIGNARDI, Annalisa	City of Toronto, Urban Dev. Services
MILLER, David	City of Toronto – Councillor
MINNAN-WONG, Denzil	City of Toronto – Councillor
MINTZ, Blake	GES Canada
MIRVISH, David	Mirvish Productions
MORGAN, Judy	City of Toronto, Tourism Division
MUNDELL, Terry	Ontario Restaurant Hotel & Motel Assoc.
NAIMAN, Jayne	City of Toronto, Urban Dev. Services
NEWBIGIN, Ian	McMichael Canadian Art Collection
NEWBY, Sarah	The Gardiner Museum of Ceramic Art
NICHOLSON, Terry	City of Toronto, Corporate Services
NICKEL, Marilyn	City of Toronto, Tourism Division
NIXON, Edward	SEDERI
O'CONNOR, Mike	Joe Badali's Restaurant
OWENS, Vicki	Ministry of Tourism
PANETTA, Rosanna	Air Canada
PANTALONE, Joe	City of Toronto – Councillor
PAQUETTE, Pam	The Valhalla Inn
PARADOWSKI, Cheryl	Ontario Tourism Education Corporation
PERRY, Guy	City of Toronto, Corporate Services
PETERS, Joel	Royal Ontario Museum
PRESSMAN, Judi	Mirvish Productions
PURVES, Bud	CN Tower

LAST NAME, First Name	Company Name
PYVES, Rick	Visa Canada Association
RAE, Kyle	City of Toronto – Councillor
REED-GARRETT, Kathryn	Exhibition Place
ROBBINS, Michael J.	The Tourism Company
ROBINSON, James	Downtown Yonge Business Improvement Area
ROBINSON, Jaye	City of Toronto, Tourism Division
ROSENBLATT, Matthew	Cityscape Development Corporation
ROSS, Duncan	City of Toronto – Executive Director, Tourism
ROTSTEIN, Joel	Pride Toronto
SEILING, Rod	Greater Toronto Hotel Association
SHARPE, Kathleen	Ontario Cultural Attractions Fund
SHAW, Sherene	City of Toronto – Councillor
SHERWOOD, Anthony	Obsidian Theatre Company
SHORTT, Stan	Toronto Centre for the Arts
SINUK, VITA	City of Toronto, Tourism Division
SMITH , Kevin	City of Toronto, HR Facilitator
SMITH, Barry	Metro Toronto Convention Centre
STEPHENSON, John	European Travel Commission
STEWART, Doug	City of Toronto, Facilities & Real Estate
STRACHAN, Ralph	The Stronco Group of Companies
SUDAC, Cindy	City of Toronto, HR Facilitator
TAYLOR, Valerie	Group Sales International Inc.
TEMPLE, John	Temple and Temple Tours Inc.
THORBURN, Rob	Attractions Ontario
THORLEY, Ian	Inn on the Park
THORNE, Steven	Consultant
TREMBLAY, Allan	Orion Sports Management
VESELY, Nick	Sutton Place Hotel
VOSBURGH, Neil	Imago Restaurants
WALSH, Anne	City of Toronto – HR Facilitator
WALTERS, Laura	City of Toronto, Tourism Division
WELYGAN, Joyce	The Valhalla Inn
WHITE, Cal	Toronto Zoo
YOUNG, Dianne	Exhibition Place

Appendix D – Long List of Issues

Issues identified during Stakeholder Consultation were grouped into four main categories and one miscellaneous. These issues formed the basis of discussion at the Tourism Summit. Participants were asked to amend and prioritize this list.

Product	▪ Existing product is tired; nothing new exciting
	▪ Not enough world class product
	▪ Competitors outspending us on new public attractions
	▪ Need to differentiate between community events and tourism events
	▪ Declining profitability of public and private sector operators
	▪ Regulatory environment prohibitive
	▪ Convention centre is too small
	▪ Lack of packaging
	▪ Do not capitalize on attributes e.g. ethnic communities and neighborhoods
	▪ Lack of/ insufficient connection between culture and tourism
		Marketing	▪ Lack of marketing resources
			▪ Competitors outspending us in key markets
			▪ Weak image in outer markets
			▪ Effectiveness of money spent on tourism initiatives is low
			▪ Inconsistent marketing:
			  ▪ Within the city
			  ▪ Between city and province
			  ▪ Between city and federal government
			▪ Too much emphasis on convention and meeting market and not enough on leisure
			▪ Need for more and better research

Leadership	▪ Key decisions made for political reasons ▪ Inability to focus public resources where we get the highest return ▪ Lack of recognition of importance of tourism by voters and business community ▪ Tourism is not high on private or public agenda ▪ The city is not visitor friendly ▪ Stakeholders are not unified, do not have a common vision ▪ Lack of recognition or priority within other City departments re: tourism issues ▪ No vehicle or mechanism to bring stakeholders together ▪ No strategic plan; no strategy for special events/ international events ▪ Not a good neighbour to adjacent destinations ▪ Lack of charismatic leader to rally industry ▪ Need to bring in new people	***Infrastructure and Environment***	▪ We must maximize our natural attributes ▪ Toronto is topographically tedious ▪ Urban environment deteriorating "We have lost our lustre" ▪ Direction of Waterfront Redevelopment must be clarified before any investment will happen ▪ Insufficient reinvestment in public facilities and spaces ▪ Accessibility by roads/ highways ▪ No sense of arrival and welcome ▪ Poor signage ▪ Need higher standard of urban design ▪ Quality control mechanisms need to be in place for tourism infrastructure and services (e.g. Rickshaws operators, tour bus parking)
Other	▪ Toronto does not receive fair share of Federal funding ▪ Need competitive "tool box" for funding attractions and stimulating investment ▪ "Everybody loves to hate Toronto"		

Appendix E
Summary of Review of Toronto Reports

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Tourism Investment Study, Dec 2001	Build and promote an exciting and modern image Build for resident and tourism markets Tourism strategy, commitment and leadership are essential to success Differentiate by showcasing indigenous assets e.g. waterfront, multi-cultural heritage, indigenous industries like telecommunication, film/entertainment Support initiatives to provide sufficient tourism destination marketing funds The US leisure traveler offers the greatest potential Top drivers are accommodation, things to see and do and food services Image at risk due to negative publicity generate within and outside the city	Increase the number and range of tourism packages available Grow links between culture and tourism Enhance existing festivals and events Develop new packages around corridors, themes and non-peak seasons	Continually introduce new/rejuvenated products and experiences Work with federal and provincial partners to ensure adequate reinvestment into attractions Priority cultural and tourism attractions include a performing arts venue, urban entertainment centre, Toronto showcase, National Aquarium and interactive showcase Develop a world class "must see" event	Seek investment that will enhance tourism infrastructure such ad accommodations, festival/event space and information/gathering facilities Support initiatives that enhance internal accessibility including group parking, information services Public transit access from airport Marine terminal on the waterfront

Report	Positioning & promoting Toronto	Tourist package initiatives	Increasing reach and appeal of attractions/festivals/events	Infrastructure needs
Competitive Tourism Development Strategy for Metropolitan Toronto, Aug 1992	Need to create a more appealing and distinct image Need to maintain consistency and adequacy of marketing funds Focus on becoming a leading leisure/pleasure destination Need top communicate value of industry to community Develop longer term strategies for maintenance, investment, support and harvest markets Coordinate with Tourism Canada and MTR efforts	Gain leverage from regional demand generators like Niagara Falls, Stratford Toronto must be linked from marketing perspective as well as transportation and packaging to regional destinations Create a cultural milieu Cultivate and promote unique neighborhoods	Attraction sector needs enhancing, festivals/events need additional private sector support and aggressive marketing Assist in connecting the arts and cultural sectors to tourism Priority funding for attractions that are developed in established tourist areas like the waterfront, provide complementary market appeal, address transportation concerns, and that are unique, multi-seasonal and sustainable Program one-of-a-kind (blockbuster) and recurring events Coordinate structuring of an event bid team Redevelop Ontario Place/Exhibition Place	Develop as a gateway city – e.g. improve air access and visitors first impressions at Pearson, address motor coach parking, traffic congestion, improved connections to regional attractions

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Incentive Travel: Challenges & Opportunities, May 2002	Pursue incentivized meetings domestically and near-border markets and develop unique incentive experiences for long-haul US, British and German markets Canada has weak image and low awareness in US, Germany, Italy and UK	Create incentive experiences in combination with Niagara Falls/Niagara Peninsula/St Jacobs/Stratford/Muskoka/Algonquin Park Highest potential incentive experience is world-class city experience		Top five US incentive factors are quality of accommodation, clean/sanitary conditions, travel cost, food/lodging cost and good meeting facilities
Attraction Audiences in Ontario's Big Cities, Jan 2002		The Ottawa museum and gallery market offers significant potential for Toronto	Two thirds of Toronto adults go to local museums or art galleries rarely or not at all – only 1 in 25 go frequently – there is a large opportunity	
Dedicated Funding Mechanism for Destination Marketing, 2002	Allow the industry to become a self-regulatory (licensing) body for the GTA under the Municipal Act, and charge a destination marketing fee			
Toronto Competes: An Assessment of Toronto's Global Competitiveness, Feb. 2000	Toronto is Canada's premier economic centre and a second tier city by global standards Need to focus on leveraging the unique characteristics of Toronto as a city	Need new ways to creatively package overlooked aspects of the City – smaller independent theatres, ethnic neighborhoods and natural environment – and use one-time events to build repeat business		

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Toronto Economic Development Strategy, July 2000	Tell ourselves and the world what a really great city Toronto is It is the diversity of ideas, beliefs, knowledge and experience that makes Toronto a great city	Require a concerted effort to increase leisure tourism	Arts and culture is a major industry and also the epicenter of creativity that inspires ideas and innovation	Strategic reinvestment is key
Toronto Report: Architecture Tourism Potential, November 2002		Opportunity to develop architourism around the Libeskind addition to the ROM and the Gehry addition to the AGO – Doors Open is a good example Opportunity to increase architectural content of existing tours	Lead agency for architourism should be an architectural or community interest group or agency	Need to encourage a higher standard of urban design and architecture Need to enhance and conserve architecturally distinctive buildings and neighborhoods
Toronto Report; Increasing Toronto's Profile Internationally and at Home, Oct 2002	Toronto's identity is unfocussed and unexciting Require additional $500,000 to develop and undertake international marketing program targeting first international business investors, followed by international tourist and convention markets followed by local Torontonians Toronto is dynamic, exciting, innovative and bold			

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Toronto Report; International Policy Framework, April 2002	Toronto should be positioned as a centre for research excellence and knowledge development, a competitor, a city with highly skilled leadership, a compassionate and caring city and a leading cultural capital Toronto is a leader in developing innovative policies dealing with the issues of ethno racial diversity and equity	City will advocate for hosting and organizing major association events		
Study of Funding Support of Ontario's Tourism Festivals and Events, Jan 2002			Festivals should be categorized as large international tourism festivals, growing/emerging festivals & community-based festivals and policy needs to be developed to assist the evolution of festivals/events into larger international events Municipal governments be encouraged to become partners in festival/event productions and play a role in streamlining and assisting the approvals process Municipalities should include festivals and events in their liability coverage	

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Ontario's Product and Packaging Opportunities, 2000/2001	Negative perceptions in the US include cost of travel to Ontario and staying/eating there and its lack of appeal for golfers US views Toronto as foreign and cosmopolitan with an opportunity to see different cultures and great outdoors experiences VFR is strong from Europe (less then one fifth of party-nights were in paid roofed accommodation) and will decline with ageing baby-boomers	Connect the city to the rest of Ontario – world-class city with trophy outdoors Cultural blockbusters for the US short-haul markets Package with BC for Asia-Pacific and with Montreal/Quebec for Germany and France VFR opportunities with new Canadian residents and hosting programs Priorities include theatre, festivals and cultural heritage		
Toronto Workshop – Draft Summary, Nov 2002	The key concept is 4 seasons "must experience" destination Need to educate Ontarian's – improve image of industry Need better more timely research Increase the sense of pride Convince Ontarian's they are tourists Promote brand icons Need a world-class image with sizzle	Increase the packaging of experiences Maximize the value of the natural assets/features in TO Increase cooperative efforts between regions like Quebec/Ontario Encourage Ontarian's to be tour guides for their friends and relatives		Some things like tour guides and rickshaws need to be regulated Need to increase and sustain infrastructure funding Increase investment in highways and transportation

Report	**Positioning & promoting Toronto**	**Tourist package initiatives**	**Increasing reach and appeal of attractions/festivals/events**	**Infrastructure needs**
Toronto's Image as a Destination, Feb 2001	Attributes in order of importance are personal safety, accommodation services, food services & cuisine, value for money, cleanliness, variety of things to see and do, hospitality of local people and directional signage US were pleased with all except cleanliness Overseas visitors expectations were exceeded in all but transportation and accommodation Canadians ranked only variety of things to see and do, accommodation and food services above expectations			

Report	**Quality of Visitor Environment**	**Bidding for international/national events**	**Attracting investment**
Tourism Investment Study, Dec 2001	Support initiatives that enhance and improve accessibility such as multi-lingual signage on public transit and communication of street closures Create linkages to neighborhoods Create demand, financial stability and animation through development mix Retain some unique indigenous working characteristics of waterfront		Create a favorable investment climate by removing barriers and providing tools Mitigate hotel property taxes to stimulate new accommodation development Focus development efforts on well-defined geographic area – e.g. create critical mass in the waterfront Develop innovative and flexible financing programs Enable private sector by providing development incentives, credits and grants that are competitive (e.g. TIF's, Tax credits, PILOT's)
Competitive Tourism Development Strategy for Metropolitan Toronto, Aug 1992	Improve service quality and public attitude towards visitors (e.g. community-wide awareness program, priority training programs) Streamline immigration and customs procedures Strategically located information booths, multi-lingual material and signage	Need a vehicle to coordinate broad business community support and to address possible impacts from major events Develop a signature event	
Toronto Competes: An Assessment of Toronto's Global Competitiveness, Feb. 2000			Focus on entrepreneurship, innovation and skills through a new style of public-private collaboration

Report	Quality of Visitor Environment	Bidding for international/national events	Attracting investment
Canada's Urban Waterfront, 2001	Develop a creative visual identity program and heritage interpretation plan that tells Toronto's story and provides gateway and connection from the 30 communities to the waterfront		Develop a Cultural Centre/Museum, an Aboriginal Centre, a Waterfront Festival Site on the waterfront
Toronto Economic Development Strategy, July 2000	Quality of place attracts people and investment		
Toronto Report; Architecture Tourism Potential, Nov 2002	Most great cities are appreciated for their overall design as well as for their landmark buildings		
Toronto Report; International Policy Framework, April 2002		Toronto will establish an official coordinating body to strategically evaluate appropriate events and actively engage in the international bidding process	
Ontario's Product and Packaging Opportunities, 2000/2001	Develop gateway concept at the airport – to increase spending and traffic from VFR and in-market travelers		
Toronto Workshop – Draft Summary, Nov 2002	Need to train staff in customer service standards and basic information on Ontario Need better benchmarking and quality control	Government needs to subsidize insurance costs for international exhibitions	Should consider development zones with provincial incentives

Appendix F

Integrated Quality Management

The European Commission produced a report in 2000 on Integrated Quality Management (IQM) in Urban Tourism Destinations. This work involved 15 case studies that defined the successful strategies and the methods and procedures that have been employed in developing successful urban tourism destinations. The following is a summary of some of the key points that are relevant to the Toronto situation.

Integrated Quality Management is a repetitive and participatory process. The process requires a strong and recognized authority/ leader (may not have been officially appointed but initiated the IQM process). The following six criteria were identified as being important to implementing IQM in urban tourism destinations throughout Europe:

- Forging a partnership approach with close and cohesive cooperation between all stakeholders
- A common vision and a high quality internal system for circulation of information to all stakeholders
- Consistent monitoring and communication of impacts of tourism for all stakeholders (visitors, industry professionals, and local residents)
- Consistent policy and coordination between all that have an influence on the visitor experience (public transport, public cleanliness, police etc)
- Incentives (constructive or repressive) to promote private initiatives to improve quality (tax concessions, subsidies, prizes/ awards etc)

In order to maximize the economic impact of tourism in a sustainable manner while safeguarding/ enhancing the quality of life for local people and businesses, the IQM process is useful in identifying measures needed to improve the urban environment, accessibility, mobility and security. For Toronto, tourism policies and actions should be developed to cover each of these three areas as follows:

The environment and sustainable development

- Toronto's beaches and parks (Blue Flag is a good example of an action related to protecting/ enhancing the quality of public beaches)
- Waste collection in visitor areas such as the downtown core
- Cleanliness of streets particularly in the downtown core
- Rehabilitation and adaptive reuse of former industrial sites
- Waterfront development

Accessibility and mobility

- Sales of products and services to encourage visitor use of public transport
- Particular needs of disabled people

- Improved parking for the group tour market
- Enhanced intermodal public transport between visitor areas, attractions (both internal and external to the city) and major transportation nodes (air, water, rail, road)
- Signage in appropriate languages
- Visitor care services at strategic points

Security

- Services to help visitor who are victims of crime
- Training of police and other service providers in visitor care/ needs

The IQM approach for Toronto should follow the steps outlined below:

1. Determine the needs and expectations of the different market segments including local residents, businesses and visitor markets in terms of the environment, accessibility and transport, and security.
2. Prepare a plan identifying measures and policies to enhance the visitor environment and services in response to the needs not currently being met.
3. The plan can then be used as the foundation for implementation by various appropriate partners.
4. A monitoring plan can be developed to ensure the approach is regularly measured in terms of satisfaction of visitors, residents and businesses, as well as the sustainability of development.
5. The plan and actions can be adapted according to the findings from the monitoring program.