



Tourism British Columbia
2007/08 – 2009/10 Service Plan



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To the Minister of Tourism, Sport and the Arts:

The 2007/08 – 2009/10 Tourism British Columbia Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the contents of this Plan, including the selection of performance measures and performance targets. The plan is consistent with government's strategic priorities and Strategic Plan. All significant assumptions, policy decisions and identified risks as of January 26, 2007 have been considered in preparing the plan.

The Board of Directors of Tourism British Columbia is accountable for ensuring that the Corporation achieves its objectives as identified in the plan and for measuring and reporting actual performance. To be effective in discharging its duties, the Board must adopt best practices in governance and continually enhance its performance. With this in mind, the Board has implemented recommendations of best practice in corporate governance to ensure its policies are consistent with industry standards.

The performance targets in this plan have been determined based on an assessment of Tourism British Columbia's operating environment, forecast conditions, risk assessment and past performance.

This plan describes the programs and activities that will be undertaken over the next three years to respond to the opportunities and challenges arising from prevailing tourism market conditions. It is consistent with the Ministry's broad policy direction and general principles, supporting the government's strategic priorities and overall strategic plan. In terms of measuring corporate performance, all programs are evaluated based on targets identified in the annual Service Plan, and reported in the Annual Report.

Tourism British Columbia is fully committed to the provincial government's long-term goal to double tourism revenues by 2015. Working closely with the Ministry of Tourism, Sport and the Arts, Tourism British Columbia continues to focus on those markets and activities that will deliver the strongest results for the BC tourism industry. The corporation utilizes disciplined research and extensive industry consultation to ensure British Columbia optimizes all opportunities for tourism growth and success. The 2007/08 – 2009/10 Service Plan identifies programs that will further build on marketing initiatives in established markets, as well as expanding efforts in emerging sectors and markets.

Our increased support of Aboriginal Tourism BC's development of export-ready tourism product and our increasingly aggressive marketing in Asia Pacific is an important corporate initiative, as is our commitment to maximize all tourism opportunities associated with hosting the 2010 Olympic and Paralympic Winter Games, together with a supporting marketing strategy for the province's 150th anniversary celebration in 2008.

I would like to acknowledge the leadership and support of the Minister of Tourism, Sport and the Arts, and thank the Board of Directors for their input into the planning process for 2007/08 – 2009/10. In addition, my sincerest appreciation to all Tourism BC staff for their efforts in delivering strategic programs that directly support the province's tourism goals.



Allen Tozer
Chair

ORGANIZATIONAL OVERVIEW

Tourism British Columbia became a Crown corporation in April 1997. Annual funding of \$50 million is a combination of the existing hotel tax and an annual operating grant from the Ministry of Tourism, Sport and the Arts. Beginning in 2008, funding estimates are based on Tourism BC receiving all funding from three points of the 8% hotel tax.

The purpose and mandate of Tourism British Columbia are defined under the *Tourism British Columbia Act* as follows:

Purpose:

- To promote development and growth in this vital sector
- To increase revenues and employment throughout British Columbia
- To increase the economic benefits generated by the tourism industry.

Mandate:

- Market British Columbia as a tourism destination
- Provide information services for tourists
- Encourage enhancement of standards of tourist accommodation, facilities, services and amenities
- Enhance professionalism in the tourism industry
- Encourage and facilitate the creation of jobs in the tourism industry
- Collect, evaluate and disseminate information on tourism markets, trends, employment, programs and activities, as well as on the availability and suitability of infrastructure and of services that support tourism activities
- Generate additional funding for tourism programs.

Corporate Principles:

- The need to conduct business in a consultative, responsible and accessible manner
- The importance of promoting all regions of British Columbia and all sectors of the tourism industry to help them to reach their full potential
- The importance of observing and encouraging effective and efficient business practices
- The value of working co-operatively with the public and private sectors.

Tourism BC's vision is to be a recognized world leader in tourism destination management. Our mission is to ensure quality visitor experiences that grow the success of British Columbia's tourism industry.

Corporate values:

- Integrity – what we bring as individuals
- Enthusiasm – what we portray
- Teamwork – how we work together
- Progressive – what we strive for

Organizational Structure

Tourism British Columbia embraces a consumer-driven approach to marketing. We work with private sector and industry partners to bring the right products to the right markets through various distribution channels that reflect the diversity of consumer and travel-trade needs. Tourism BC's governance and organizational structure is as follows:

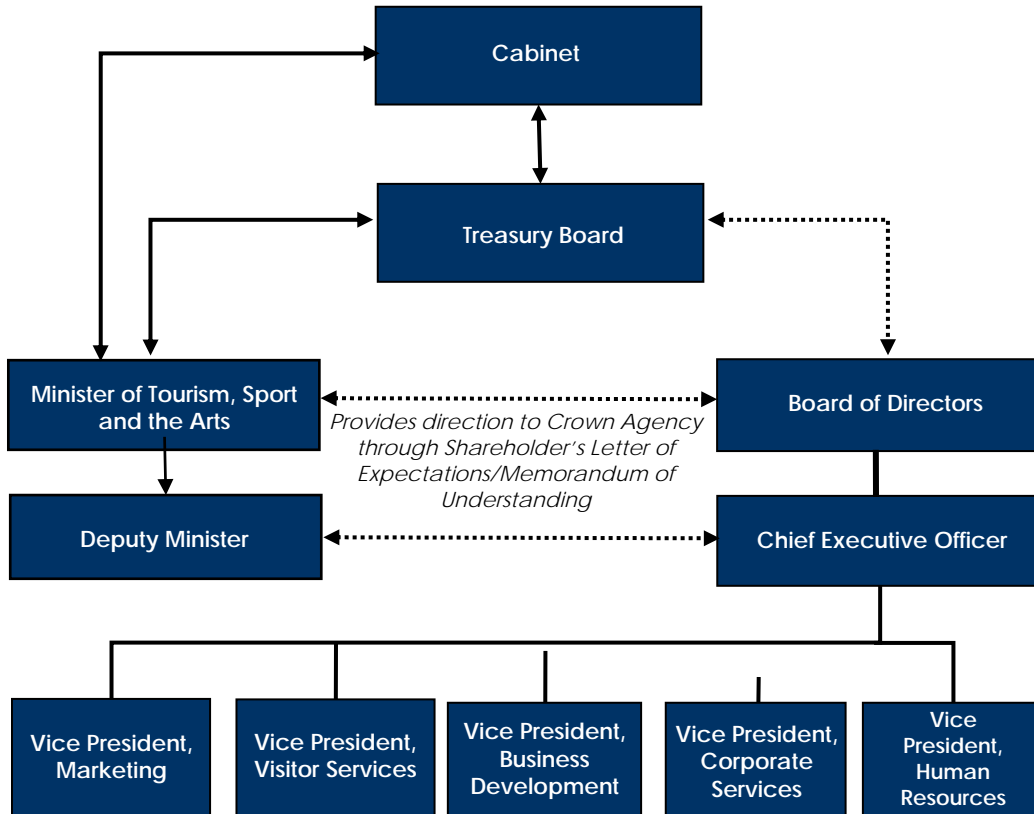


Chart format source: the Shareholder's Expectations Manual for British Columbia Crown Agencies- April 2006

Marketing develops programs geared to consumer and trade promotion to increase demand for British Columbia as a preferred travel destination in key geographic markets.

Visitor Services delivers programs that optimize the BC visitor's experience through enhanced customer service. This includes distribution of information through visitor centres, quality assurance inspections and customer service training.

Business Development assists new and emerging tourism product businesses, communities and sectors in achieving market preparedness and growing their business opportunities.

Corporate Services and *Human Resources* help contribute to the positive performance of the organization through the development and implementation of efficient financial, administrative, information and human resource systems.

CORPORATE GOVERNANCE

Tourism British Columbia is responsible to the Minister of Tourism, Sport and the Arts. It is governed by a 15-member Board of Directors, with management, financial and legal authority under the *Tourism British Columbia Act*. The Board provides policy direction and leadership to the organization and invests the CEO with the responsibility to implement the policies and programs of the corporation.

Governance Principles

The board has adopted the following guiding principles of the provincial government's Governance Framework:

- Stewardship, leadership and effective functioning of the Board
- Clarity of roles and responsibilities
- Openness, trust and transparency
- Service and corporate citizenship
- Accountability and performance
- Value, innovation and continuous improvement.

Enhanced Governance Practices

Following completion of a review by an independent, professional governance expert, the board has enhanced its governance practices, such as using a skills-based approach to identify high-potential candidates for appointment. With continuous improvements to governance, the board can ensure that best practices will better guide the strategic direction of the corporation.

As a result of the review, several other changes have also been instituted, including adoption of a competency matrix, identification of standing committees of Audit/Finance and Governance/Human Resources, evaluation protocols for the Board and CEO, plus annual orientation and skills development for directors.

For a list of Board members, see Appendix 1.

ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

British Columbia continues to be one of the top drivers of tourism activity in Canada. Above and beyond the natural attributes of the province, this is largely due to the development of a dynamic tourism system – one that combines the strengths of entrepreneurial tourism professionals and focused destination marketing with progressive government policies to allow for province-wide industry success.

Tourism British Columbia is fully committed to promoting development and growth in tourism, increasing revenues and employment throughout BC, as well as increasing the economic benefits generated by the tourism industry. To accomplish this, Tourism BC adheres to a long-term strategic framework that identifies the most effective initiatives necessary to optimize tourism opportunities for the ten-year period from 2005 – 2015. In addition, the corporation has incorporated several initiatives into this Service Plan that have resulted from ongoing alignment with goals and priorities identified by the Ministry of Tourism, Sport and the Arts.

The chart below summarizes the direct relationship of Tourism BC’s activities with government’s priorities.

Government Goal	Tourism BC (See <i>Goals, Key Strategies, Performance Measures and Targets</i> for more detail)
<ul style="list-style-type: none"> ○ Create more jobs per capita than anywhere else in Canada. <ul style="list-style-type: none"> ● Double province-wide tourism revenues by 2015 ● Maximize tourism opportunities related to 2010 ● Promote BC2008 - 150th anniversary celebrations 	<ul style="list-style-type: none"> ○ Consumer and trade marketing programs including an enhanced focus on: <ul style="list-style-type: none"> ○ China marketing strategy ○ Aboriginal tourism strategy ○ 2010 tourism marketing campaign ○ Visitor servicing ○ Outdoor recreation promotion ○ Wine and cuisine tourism promotion
<ul style="list-style-type: none"> ○ Lead the way in North America in healthy living and physical fitness 	<ul style="list-style-type: none"> ○ Outdoor recreation promotion ○ BC Parks marketing support ○ <i>Spirit of 2010 Trail</i> marketing plan ○ Tourism product sector development

PLANNING CONTEXT AND KEY STRATEGIC ISSUES

As depicted by the following chart, achieving industry’s overall objective requires a balance between investment in demand and supply activities. Demand activities focus on generating revenue by attracting more visitors, increasing length of visitor stay and increasing daily expenditures. Supply activities support increased revenue generation in a number of ways, such as increasing utilization of existing capacity, adding new capacity and products, as well as providing higher quality products and services that can achieve premium rates.

Tourism British Columbia provides a range of programs – throughout the organization and in partnership with industry – to attract more visitors, improve market readiness and enhance the visitor’s experience while in British Columbia.

The focus of this effort is to help move consumers through the marketing cycle: from initial awareness, to interest in the destination, to purchase. After purchase, the goal is to deliver an experience that exceeds the visitor’s expectation, increasing the possibility of a return visit or endorsement of the destination to friends and relatives.

A key guide for Tourism BC’s long-term planning is the 2005-2015 Tourism Strategic Action Plan. In addition to strategies for marketing and promotion, it provides specific consideration for those activities that will help industry achieve the desired growth of tourism by 2015, and for identifying tourism growth opportunities associated with hosting the 2010 Olympic and Paralympic Winter Games.

2005 – 2015 Tourism Action Plan

OBJECTIVES

- Double provincial tourism revenues by 2015
- Maximize the long-term benefits of the 2010 Olympic and Paralympic Winter Games throughout British Columbia.

STRATEGIES

Key strategies include those to increase demand and revenue and those to increase supply of export-ready tourism experiences.

DEMAND

- Attract more visitors
- Increase the length of a visitor's stay
- Generate higher levels of expenditures on tourism experiences

SUPPLY

- Increase utilization of existing capacity
- Add new capacity and products
- Provide higher quality products for which visitors are willing to pay a premium

MARKETING AND PROMOTION

- Marketing
- Business development
- Visitor servicing

INDUSTRY DEVELOPMENT *

- Development and investment
- Access and infrastructure development
- Tourism workforce

* Please see Ministry of Tourism, Sport and the Arts 2007/08 – 2009/10 Service Plan

Tourism BC's activities are further enhanced by marketing and promotion partnerships with other destination marketing organizations, as well as supply support provided by the Ministry of Tourism, Sport and the Arts.

While the Tourism Action Plan provides strategic direction for Tourism BC's activities, overall performance of the tourism industry provides important context for both short- and long-term marketing decisions.

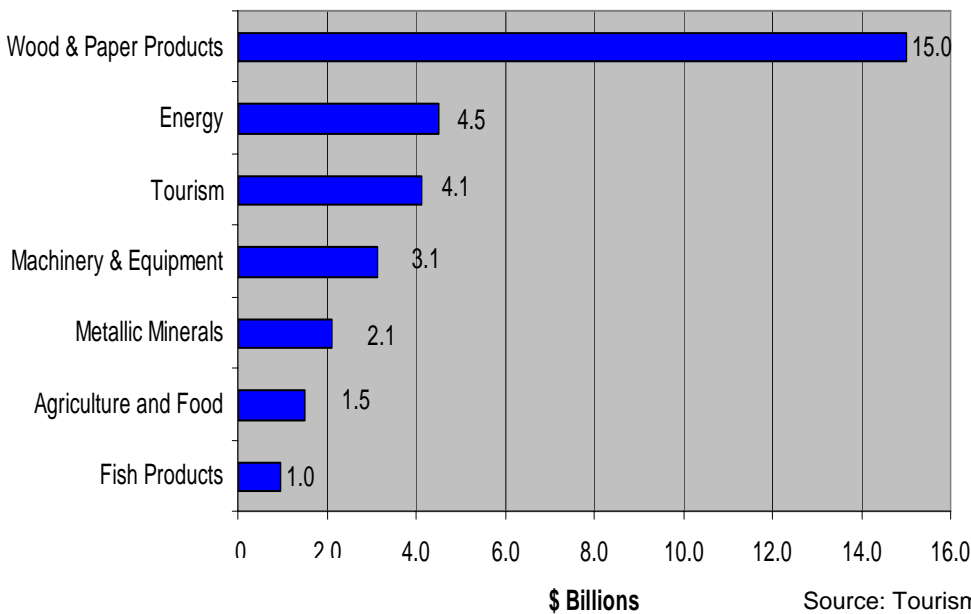
Industry Performance Measures and Future Outlook

With over 18,000 tourism-related businesses and nearly 120,000 people employed in jobs directly related to tourism, the industry has a significant presence in every region of British Columbia.

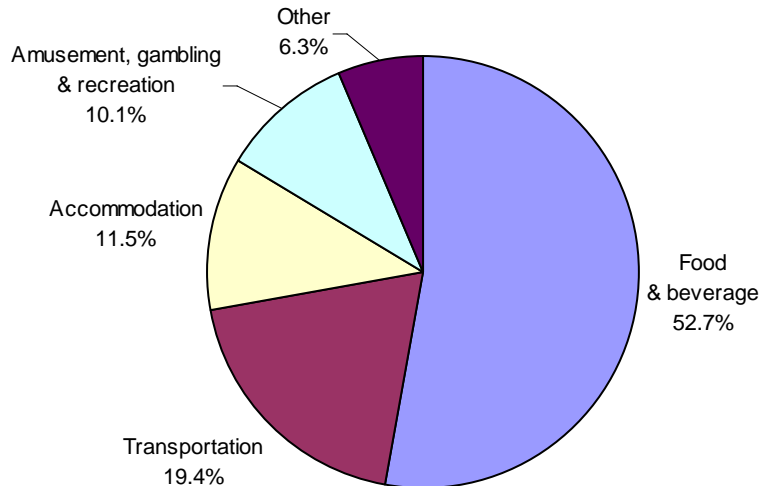
Key Industry Performance Indicators

British Columbia Exports

The contribution of tourism as an export industry is significant. Exports are expenditures by non-residents of Canada on goods and services produced in British Columbia. Unlike most industrial sectors, tourism exports occur when BC origin goods and services are purchased by international visitors while in British Columbia, rather than in their home countries. In 2005, the industry had export revenues of \$4.1 billion as illustrated in the following chart:



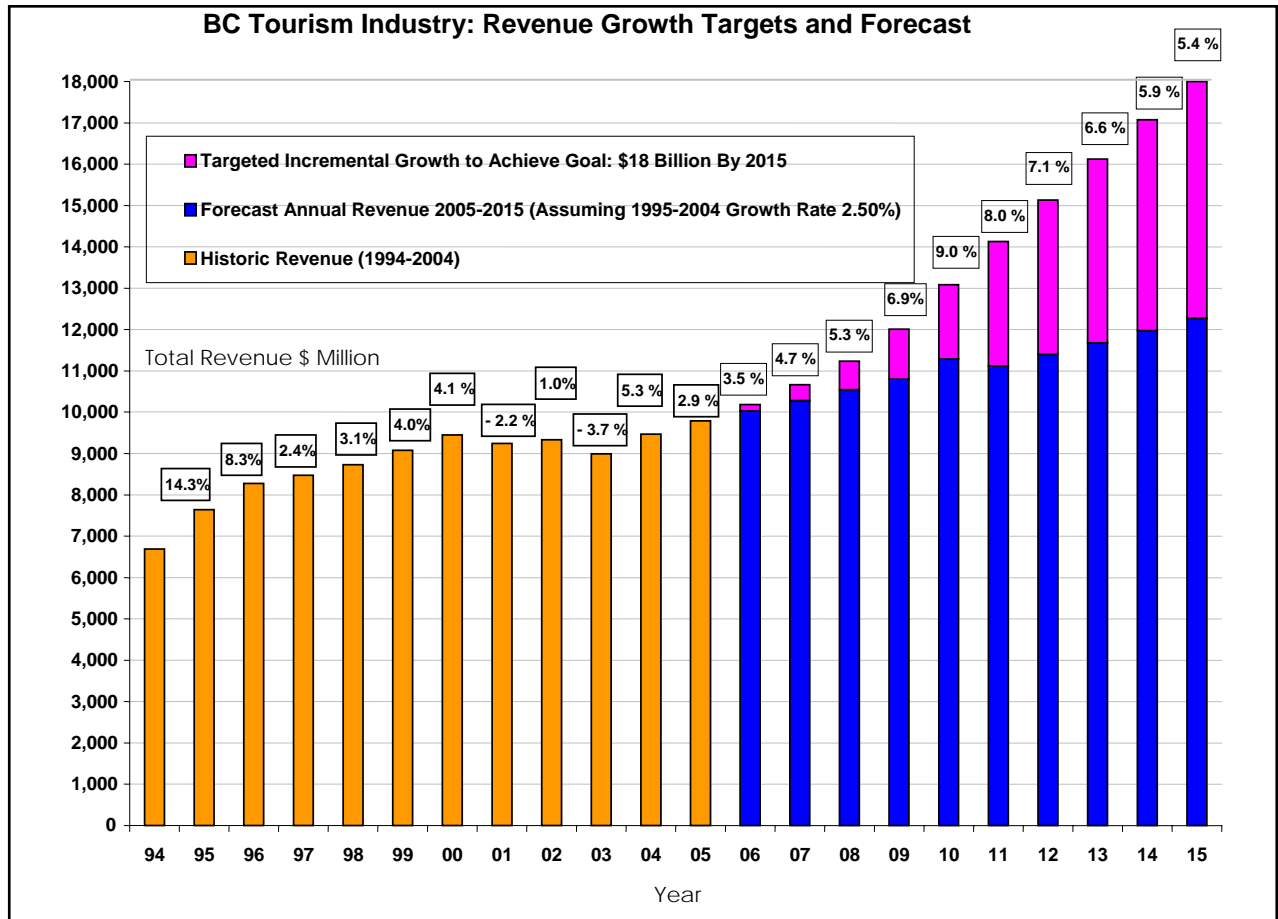
Tourism Employment by Industry Sector



Source: BC Stats, Statistics Canada (Survey of Employment, Payroll and Hours)

BC Tourism Industry: Revenue Growth Targets

The following chart highlights the revenue growth targets required to double provincial tourism revenues by 2015, compared to forecasts based on historical growth rates.



Source: Tourism BC

Tourism Industry Revenues

In the 2006 calendar year, it is estimated that a total of 23.1 million people travelled in British Columbia, an increase of 1.0% over 2005. Corresponding industry revenues for the same period are estimated at \$9.98 billion, a 2.0% increase over 2005. This level of performance provides a strong foundation for the growth necessary to achieve the goal of doubling tourism revenue.

Visitor Revenue Forecast

British Columbia's tourism industry is expected to grow steadily over the next three years, with visitor expenditures estimated to increase 10.9% between 2006 and 2009. Worldwide markets are growing, with revenue from the Asia/Pacific region expected to grow most rapidly (19.2%) during this time. There are many factors that may influence the industry; among the most significant may be new US passport regulations and limited air capacity to BC from overseas markets.

\$ millions	Estimated Overnight Revenue, 2006	Forecast Overnight Revenue, 2007	Forecast Overnight Revenue, 2008	Forecast Overnight Revenue, 2009	3 year Forecast % Growth in Overnight Revenue, '06 to '09
North America	8,177	8,381	8,739	8,956	9.5%
Asia / Pacific	1,000	1,048	1,116	1,192	19.2%
Europe	725	755	792	831	14.6%
Other Overseas	77	81	85	88	14.3%
Total	9,979	10,265	10,732	11,067	10.9%

North America Revenue Forecast

Expenditures by visitors from North American markets to British Columbia are expected to grow 9.5% between 2006 and 2009. The British Columbia, Canada and Mexico markets are expected to show strong growth, while visitation from the United States will be constrained by new passport regulations introduced in 2007 for Americans returning to the US by air, and, to be introduced in either 2008 or 2009 for Americans returning by land or sea.

The US continues to be a vital market for BC tourism, and 2006 estimates for the US overnight market show an estimated decrease in revenues of 2.1% compared to 2005, a trend that has been experienced across Canada. Though no one single factor can be identified as the sole basis of this, several issues such as narrowing exchange rates, higher gas prices, slower border as well as security processes and confusion about the impending Western Hemisphere Travel Initiative, have become factors in US consumer considerations of Canadian destinations.

\$ Millions	Estimated Overnight Revenue, 2006	Forecast Overnight Revenue, 2007	Forecast Overnight Revenue, 2008	Forecast Overnight Revenue, 2009	3 year Forecast % Growth in Overnight Revenue, '06 to '09
British Columbia	2,844	2,959	3,094	3,234	13.7%
Regional Canada	2,000	2,086	2,185	2,294	14.7%
Long Haul Canada	968	1,002	1,043	1,090	12.6%
United States	2,298	2,263	2,343	2,259	-1.7%
Mexico	67	70	74	79	18.7%
North America Total	8,177	8,381	8,739	8,956	9.5%

Asia/Pacific Revenue Forecast

Expenditures by Asia/Pacific visitors to British Columbia are forecast to grow 19.2% between 2006 and 2009, reaching almost \$1.2 billion by the third year. Strong growth is expected from most key markets, with China presenting the greatest opportunity. A successful conclusion to Approved Destination Status (ADS) negotiations with China and increased air capacity from Asia and Australia will be key to maximizing the potential of this region.

	Estimated Overnight Revenue, 2006	Forecast Overnight Revenue, 2007	Forecast Overnight Revenue, 2008	Forecast Overnight Revenue, 2009	3 year Forecast % Growth in Overnight Revenue, '06 to '09
Japan	242	245	254	263	8.8%
Australia	194	203	214	226	16.5%
New Zealand	35	37	39	41	17.1%
South Korea	126	130	136	145	15.4%
Taiwan	93	96	100	105	13.2%
Hong Kong	79	81	84	87	11.0%
China	103	115	134	157	52.1%
Other Asia/Pacific	128	141	155	168	30.2%
Asia / Pacific Total	1,000	1,048	1,116	1,192	19.2%

Europe Revenue Forecast

Expenditures by European visitors to British Columbia are expected to grow 14.6% between 2006 and 2009, reaching \$831 million by the third year. Steady growth is expected from most European markets. The lack of direct, non-stop air capacity to BC from many European countries is a limiting factor for growth.

	Estimated Overnight Revenue, 2006	Forecast Overnight Revenue, 2007	Forecast Overnight Revenue, 2008	Forecast Overnight Revenue, 2009	3 year Forecast % Growth in Overnight Revenue, '06 to '09
United Kingdom	361	374	393	413	14.3%
Germany	127	133	139	146	14.3%
Switzerland	29	30	31	33	14.3%
France	26	28	30	32	21.1%
Netherlands	40	42	44	46	14.3%
Italy	20	20	22	23	18.7%
Other Europe	122	128	133	138	14.3%
Europe Total	725	755	792	831	14.6%

BC TOURISM INDUSTRY – STRATEGIC ISSUES & RISKS

The most significant long-term challenge for Tourism British Columbia and the BC tourism industry relates to the steep tourism growth rates necessary to double tourism by 2015. To fully realize this goal, all key strategic elements identified in the *Tourism Action Plan* must be executed, without significant impediments. This includes aggressive marketing: Tourism BC is working with the Ministry of Tourism, Sport and the Arts as well as key tourism organizations such as the Canadian Tourism Commission (CTC) and regional and city marketing organizations to vigorously promote British Columbia as a preferred travel destination.

It is important to note that the tourism industry is especially vulnerable to external variables such as economic shifts, international government policies, security trends and even weather. Tourism BC works closely with the Ministry of Tourism, Sport and the Arts, the Council of Tourism Associations (COTA) and the Tourism Industry Association of Canada (TIAC) as issues emerge to provide assistance for any government decisions that may be necessary.

The planning context and revenue forecast for this three-year service plan take into consideration a number of factors that may influence the competitiveness of the BC tourism industry. Among the most significant issues facing tourism in the province are the following:

US Visitation. Visits from the US have declined since 2001, largely due to increased security measures and the strong performance of the Canadian dollar against the US dollar. This has particularly impacted same-day visitors who are valuable to close-in destinations such as Vancouver and Osoyoos. Tourism BC continues to monitor these issues, and will re-focus its promotional programs accordingly.

The Western Hemisphere Travel Initiative. US passport requirements for re-entry to the United States for American visitors travelling by air will impact visits in 2007 and beyond. The second phase of the program is scheduled to begin as early as January, 2008, which would include land and sea border crossings (including ferries). Though registration for new US passports has been strong, far fewer than 50% of all Americans have passports.

GST. The federal government announced cancellation of the GST rebate in 2006, which will result in price increases for international packaged travel as tour operators are required to charge and remit GST.

Air Access. The federal and provincial governments are working to open more access to Canadian airports for foreign airlines, as a lack of direct-air seat capacity is one of the major constraints to growth from many markets, including Asia Pacific.

China: Approved Destination Status (ADS). Though Canada and China formally agreed to begin negotiating Approved Destination Status in January 2005, a final agreement has not been achieved to date. Despite significant potential from this market, Tourism BC cannot advertise in China until an agreement is signed. For the purposes of the 2007/08 – 2009/10 Service Plan, Tourism BC is estimating that the first Chinese visitors who will travel to Canada for pleasure purposes as a result of ADS will begin in 2009.

Human Resource Development. 84,000 new workers will be required in order to meet the target of doubling the size of the tourism industry by 2015. This will require tourism training in both the secondary and post-secondary systems, as well as in the workplace. An expansion of recruitment efforts to target under-represented and foreign workers is also required.

GOALS, KEY STRATEGIES, PERFORMANCE MEASURES AND TARGETS

The 2007/08 – 2009/10 Tourism British Columbia Service Plan focuses on programs that directly contribute to achieving two long-term objectives:

- 1. Double provincial tourism revenues by 2015.**
- 2. Maximize the long-term tourism benefits of the 2010 Olympic and Paralympic Winter Games for all of British Columbia.**

Working with industry, Tourism BC has identified four primary goals to accomplish these objectives:

- **Increase provincial tourism revenues by attracting visitors from both “volume” markets (British Columbia, Alberta and Washington) and “high-yield” markets (long-haul North America, Asia/Pacific and Europe).**
- **Optimize the BC visitor’s experience through enhanced customer service.**
- **Improve tourism market readiness of new and emerging tourism sectors and products.**
- **Create a positive corporate culture within an efficient and effective organization.**

Key Strategies

Above and beyond a wide variety of programs and activities undertaken by Tourism BC, four strategic priorities have been identified as being critical to the long-term success of the industry:

- 2010 Olympic and Paralympic Winter Games tourism strategy
- China marketing strategy
- E-business strategy
- Aboriginal tourism marketing strategy

1. 2010 Olympic and Paralympic Winter Games

A major goal of Tourism British Columbia is to maximize the long-term tourism benefits of the 2010 Olympic and Paralympic Winter Games for all of British Columbia. Review of past jurisdictions that have hosted Olympic games has shown that to maximize benefits, the government and tourism industry must have both a well co-ordinated approach and a well-executed, adequately funded marketing plan before, during and after the games.

With the games three years away, BC is well positioned for success. Tourism BC has formed strong partnerships with the Ministry of Tourism, Sport and the Arts, the BC Olympic Games Secretariat, tourism industry partners and the Vancouver Organizing Committee (VANOC) to co-ordinate planning and leverage marketing efforts.

Along with these partners, Tourism BC is launching a comprehensive tourism marketing program beginning in 2007/08 to maximize the tourism benefits of hosting the 2010 Olympic and Paralympic Winter Games.

Key Strategies – 2010 Olympic and Paralympic Winter Games

- Work with the Vancouver Organizing Committee (VANOC) and other partners to develop a streamlined accommodation management solution for managing IOC family and spectator accommodation (500,000 room nights during the games period)
- Develop and implement an accommodation accessibility program to support VANOC's objective to have the most accessible Olympics ever
- Work with partners to expand Tourism BC's media relations program to maximize exposure of BC and Canada to accredited and unaccredited media and key sponsors before, during and after the games
- Develop a travel-trade program that will help to offset a potential "aversion" effect of hosting the games and highlight new opportunities for the tourism trade
- Enhance existing consumer direct-marketing campaigns by incorporating new Olympic messaging and official Olympic logos into destination advertising
- Develop an integrated visitor servicing plan with key partners and VANOC that helps to ensure an excellent customer service experience for all spectators and visitors
- Coordinate tourism marketing opportunities for BC communities, sectors, and regions in Beijing 2008, Vancouver 2010 and London 2012.

2. China

The Chinese market represents a significant opportunity as a source of new business for British Columbia. Although visits from China to BC continue to increase, the full potential will not be realized until Approved Destination Status (ADS) has been negotiated and an agreement between the Chinese and Canadian governments is in place.

An ADS agreement is important as it allows for Chinese citizens to travel to a destination in group tours authorized by the China National Tourism Administration. ADS is not required for Fully Independent Travel (FIT), Incentive, Business/Technical, Education and Government travel, but non-ADS countries may not advertise tourism experiences to the public and Chinese travel agents are not permitted to advertise travel packages to their potential customers.

Despite these restrictions, Tourism British Columbia has been very active, working in close partnership on Canadian Tourism Commission Chinese initiatives since 1999. Strategic priorities focus on readiness for ADS and maximizing non-ADS business. Key successes to date include:

- Hosting a range of media and travel trade activities
- The launch of a comprehensive Chinese language website www.HelloBC.com.cn
- Having a major presence at the CTC-produced Showcase Canada held in March 2006 in Shanghai
- Hosting a variety of meetings, including an industry one with Premier Gordon Campbell and Minister Stan Hagen at China International Travel Mart in November, 2006.

Key Strategies – China

- Continue the close working relationship with CTC China
- Use unpaid media to create awareness and interest
- Educate key travel-trade accounts on BC products and experiences.

3. E-business

Over the past decade, the Internet has experienced rapid growth and has become a mainstream media. As a result, the Internet is now the primary source for consumers to plan and purchase travel.

The Internet is constantly evolving and word-of-mouth information has gone global, with millions of consumers sharing their travel experiences online, through blogs and social travel websites such as tripadvisor.com and igougo.com.

In addition, a growing number of consumers will soon be taking the Internet with them wherever they go through mobile devices. Access to information will allow consumers to find directions, restaurants, accommodation, sights, activities and events based on their location, wherever they are – changing the way travellers experience their trips.

Marketing Technology

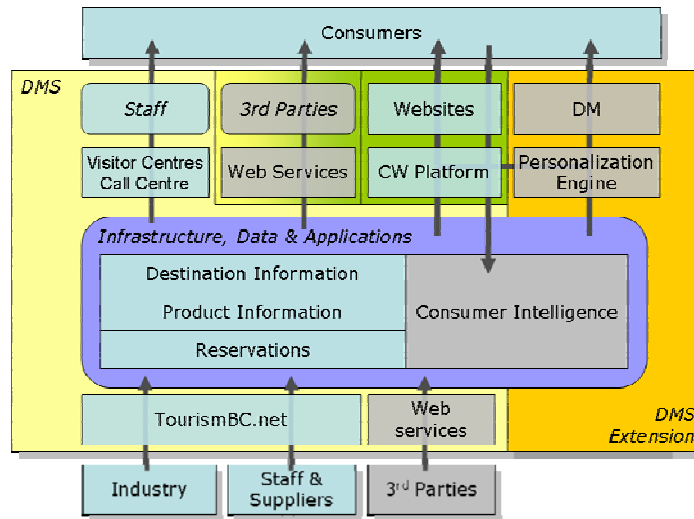
Beginning in 2002, Tourism British Columbia embarked on a long-term marketing technology strategy. The goal: to become an advanced online business to help the BC tourism industry compete in the increasingly important and ever-evolving world of online marketing.

The main objective was to find ways to efficiently and effectively connect consumers with BC tourism products and experiences through their preferred communication channel. To be useful to consumers in their efforts to plan and purchase the composite of products that make up the experience, this information needed to be comprehensive, timely, accurate and digital.

The first important step in realizing this vision will be the completion of Tourism BC's Destination Management System (DMS). Features of this system, which serves as the base for the organization's technology-based marketing efforts, include:

- Centralized infrastructure, databases and enterprise applications to support the collection of relevant information
- TourismBC.net, a new website allowing all tourism businesses to join new and existing programs and provide product information
- A library of destination information that can be accessed and managed by Tourism BC staff and industry suppliers
- A new reservation system, implemented in fiscal 2007/08, that supports the purchase of BC tourism product
- Call centre and visitor centre network access to the information.

Destination Management System (DMS)



A new Consumer Web Platform (CW) supports online marketing initiatives around the world, fully utilizing the data in the DMS system. Key advantages include:

- A technology foundation, integrated with the DMS system to support the development of market specific websites
- Easy-to-use websites with comprehensive content and tools to assist consumers in their trip planning
- Support for promotional activities and marketing campaigns.

The CW platform has led to the creation of market-specific websites for North America, the United Kingdom and Australia.

Further strategic initiatives are planned over the next three years to enhance Tourism BC's marketing initiatives through the use of technology, and to realize the full benefits of this marketing technology before, during and after the 2010 Winter Olympic and Paralympic Games.

Key Strategies – E-business

- Integrate Japanese, South Korean, Taiwanese, German and Chinese market websites into the CW platform
- Continue to expand content on all websites by working with the tourism industry and utilizing consumer-generated media to create timely, compelling and accurate information
- Further improve the user experience through the CW platform by implementing trip-planning tools, including transactional systems and interactive maps
- Extend the DMS platform to include a database marketing system to facilitate the collection of consumer intelligence and execute highly personalized marketing through all channels
- Distribute content to additional channels, including tourism partners and third parties through web services
- Investigate the opportunity of building a website geared specifically to travellers accessing the Internet through mobile devices.

4. Aboriginal Tourism Development

One of the major goals of Tourism British Columbia and the Ministry of Tourism, Sport and the Arts is the development of Aboriginal tourism.

Over the past four years, Tourism BC has worked closely with the Aboriginal Tourism Association of BC to produce the *Aboriginal Cultural Tourism Blueprint Strategy for British Columbia*.

For fiscal 2007/08, Tourism BC will work closely with the Aboriginal Tourism Association of BC, the Ministry of Tourism, Sport & the Arts and other related stakeholders to implement this strategy through the 2010 Winter Olympic and Paralympic Games cycle. During this period, Tourism BC is committed to investing \$5 million as the province's contribution to this cultural product sector.

Key Strategies – Aboriginal Tourism

- In partnership with the Aboriginal Tourism Association of BC, implement the strategy's year one tactics
- Provide in-house expertise in areas of marketing development and promotion
- Integrate the Aboriginal tourism strategies into Tourism BC's existing delivery systems

Performance Measurement System

The performance measures identified in this section focus on core activities and outcomes of the organization. To review the objectives and data source of each performance measure, please refer to Appendix 2.

Goal 1: Increase provincial tourism revenues by attracting visitors from both “volume” markets (British Columbia, Alberta, Washington) and “high-yield” markets (long haul North America, Asia/Pacific and Europe).

BACKGROUND

Tourism British Columbia's consumer-driven strategies target key geographic markets to increase demand for British Columbia as a preferred travel destination. Strategies focus on building awareness, interest, knowledge, purchase and repeat purchase. Spending is focused on two key revenue-generating markets: those in close proximity to (or residing in) BC, which produce high volume and have high repeat potential; and those farther away (long-haul Canada, US and overseas), which deliver visitors that tend to stay longer and spend more on a daily basis. By balancing efforts against repeat visitation from closer-in markets and trial higher yield, longer haul markets, growth in tourism revenue can be optimized.

Tourism BC also looks to a balanced portfolio as the underlying basis for the corporation's marketing strategy. By maintaining a mix of markets worldwide, multiple goals can be pursued and overall tourism revenue buffered against dramatic shifts which may impact specific markets. The key tactic used to increase awareness of BC as a tourism destination is through media relations activities that generate unpaid coverage in print, broadcast and online media.

Tourism BC's paid media utilizes a range of targeted direct media, including direct-response television, print, online, out-of-home and direct mail (both electronic and hard copy). Consumer marketing campaigns reflect the products of interest and travel planning/booking behaviours of

each market. A fundamental goal of these activities is to connect consumers to the product of their choice through the channel of their choice – which is increasingly online.

Some markets and segments research, plan and book their travel independently; others tend to use the travel trade (i.e. tour operators and travel agents). Generally, overseas markets are more trade focused and North American markets more independent, with segments in both groups that counter the norm.

Tourism BC also focuses on curricula marketing, which utilizes information provided by consumers to the corporation to create customized, relevant communication.

NORTH AMERICA

Markets

“Volume markets” are those which comprise large numbers of visitors. Key markets in this category include BC, Alberta and Washington. Priority “high yield” markets include California (particularly Los Angeles and the San Francisco Bay area), Oregon and Ontario. Emerging markets include Mexico.

Product Focus

Tourism British Columbia’s major marketing efforts are directed toward the North American touring sector, which encompasses activities such as sightseeing, shopping and cultural experiences. Consumer direct campaigns and co-operative programs focus on the following product sectors: ski, golf, outdoor adventure, fishing, guest ranches, health and wellness, wine and cuisine, plus meetings and incentive.

Target Audiences

Consumer programs target both repeat and new visitors. Touring campaigns target frequent travellers, ages 35-55 and 55+, who have above-average incomes and education. Sector campaigns address a broader variety of demographics, depending on the activity. For example, outdoor adventure targets consumers ages 30-45 with very active lifestyles.

Key Strategies

The lead strategy is to provide consumers with information, planning tools and product to purchase through their chosen channels. Tourism BC uses a combination of trade, consumer direct and media relations to address various consumer purchasing behaviours and stages of the purchase cycle. They are as follows:

Consumer

- Fulfill consumer demand for detailed planning information and increase opportunities for industry to reach consumers by expanding online product listings to include activities and attractions as well as accommodations
- Enhance existing consumer direct marketing campaigns by incorporating new Olympic messaging and official Olympic logos into destination advertising where applicable
- Develop and deliver highly targeted, integrated consumer campaigns that reach high-potential travellers, utilizing a direct marketing approach:
 - Continue the **BC Escapes®** campaign, which offers price-point packages to high-potential markets (including domestic BC, Washington, Alberta and California), reaching consumers who are interested in BC for both vacations and getaways
 - Target a younger, more active audience with an outdoor activities campaign that promotes outdoor recreation, including BC Parks

- Build investment in a province-wide ski/winter campaign that leverages the upcoming 2010 Olympic and Paralympic Winter Games to enhance awareness of and visits to all export-ready resorts in BC
- Develop an integrated golf campaign that leverages BC's designation by the International Association of Golf Tour Operators (IAGTO) as 2007 Best Golf Destination in North America
- Introduce wine and cuisine campaign
- Participate in "North to Alaska" cooperative marketing initiatives
- Continue to produce and distribute consumer publications that support trip planning (Approved Accommodation Guide, Vacation Planner, Outdoor Adventure Guide) and provide inspirational content to increase awareness (**British Columbia Magazine®**)
- Enhance trip planning functionality and access to information on the consumer website to support campaigns and general trip planning
- Upgrade consumer marketing database functionality to enhance customized, relevant communication for potential travellers.

Co-operative/Partnership Programs

- Support regionally-focused marketing activities such as advertising, publications and consumer and trade shows, plus provide co-operative marketing opportunities to businesses through the Tourism Partners Program
- Provide cost-shared funding opportunities for small/emerging sectors (including guest ranches, spas, fresh and saltwater fishing, BC cruises) through Experiences BC Marketing Application program
- Enhance the meetings and incentive initiatives of major destination marketing organizations (DMOs) through Meetings BC proposal-based co-operative program
- Provide opportunity for iconic cities to further develop niche programs (e.g. Gay and Lesbian, Cruise) through City Stays program funding.

Travel Trade

- Increase BC's position with the travel trade through educational programs, co-operative marketing campaigns, familiarization tours, sales calls and marketplaces that connect suppliers with tour operators
- Develop a travel-trade program that will help to offset a potential "aversion" effect of hosting the 2010 Olympic and Paralympic Winter Games and highlight new opportunities for the tourism trade.

Media Relations

- Continue to build awareness of BC's tourism products with media through press trips targeting key media, providing story ideas and content to key media, as well as assisting industry to bring journalists through the Visiting Journalist Program
- Leverage 2010 awareness by integrating messaging and developing tools for media use; develop a coordinated media relations plan to address 2010 opportunities before, during, and after the Games with DMO partners, Olympic secretariat, CTC and VANOC among accredited and unaccredited media and key sponsors
- Develop messaging regarding BC2008 for media distribution.

OVERSEAS: EUROPE

Markets

European markets are considered "high yield" due to the longer duration of their stays and higher daily expenditure. Within Europe, priority markets include the UK and Germany; emerging markets include the Netherlands, France, Scandinavia and Italy.

Product Focus

Touring experiences, often featuring both Alberta and BC, represent the largest market potential. Activities include sightseeing, nature and wildlife viewing, golf, spas, rail, RV touring and Aboriginal cultural experiences. Ski is becoming a larger focus as many visitors are becoming aware of the quality of ski resorts throughout the province.

Target Audiences

Primary focus is on consumers with an existing awareness of Canada, specifically older/affluent consumers who have travelled internationally. Ski efforts target a younger, more active audience - frequent skiers who have been to other international resorts for a ski vacation.

OVERSEAS: ASIA PACIFIC

Markets

Asia/Pacific markets typically are classified as “high yield” due to a combination of longer stay (especially Australia) as well as higher-than-average daily expenditures. Priority markets include Japan, Australia, Taiwan and South Korea. China is the single largest emerging market, with significant long-term potential for tourism. India is a market that will be monitored closely for future consideration as an emerging market.

Product Focus

Touring –sightseeing, shopping, health and wellness, nature and wildlife viewing– represents the largest focus of effort. Ski is a particularly strong product in Australia.

Target Audiences

Leisure travellers with an existing awareness of Canada are the primary target, particularly older, affluent couples with some international travel experience. In Japan, women age 30+ continue to be trendsetters; media relations efforts often target this group. In Australia, younger, more active consumers are targeted for ski, while older, independent travellers are the focus of touring efforts.

Key Strategies

In overseas markets, the core strategies are to build relationships with key industry stakeholders and to reach consumers directly through on-line activities.

Consumer

- Develop and promote visits to foreign websites in UK, Australia, Japan, South Korea, China and Germany
- Initiate online and database marketing
- Participate in CTC-led consumer campaigns where applicable
- Provide foreign language publications with printed material to fulfill consumer requests.

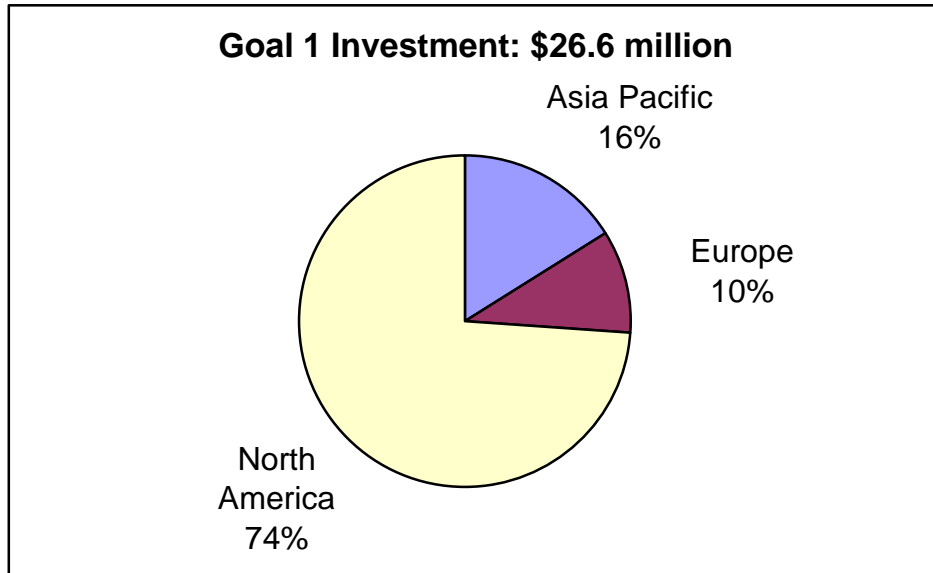
Media Relations

- Increase consumer awareness of BC tourism product through targeted media relations initiatives, including press trips
- Leverage 2010 awareness with markets that have a strong historical relationship with the games.

Travel Trade

- Increase sales of BC product through the travel trade by providing education to key accounts through seminars, foreign language publications and trade fam tours
- Develop co-operative consumer campaigns with call-to-action to key trade accounts

- Provide opportunities for BC tourism businesses to meet overseas tour operators by annually co-hosting Canada’s West Marketplace
- Host Rendezvous Canada in May 2008 to showcase BC and leverage awareness of the 2010 Olympic and Paralympic Winter Games
- Develop a travel-trade program that will help to offset a potential “aversion” effect of hosting the Games and highlight new opportunities for the tourism trade.



Goal 1: Increase provincial tourism revenues by attracting visitors from both “volume” markets (British Columbia, Alberta, Washington) and “high yield” markets (long-haul North America, Asia/Pacific and Europe).					
Performance Measures	Performance Targets				
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Return on investment - Tourism BC North America consumer marketing campaigns (tourism revenues per \$ invested)	12.5	12.0	12.0	12.0	12.0
Equivalent dollar value of unpaid editorial coverage worldwide (\$ millions)	126.5	180	190	250	300
Unique visitors to consumer websites worldwide (millions)	0.9	4.0	5.0	6.0	7.0
BC’s share of Canadian product in key tour operator offerings:					
North America	40%	42%	40%	40%	40%
Europe	38%	38%	38%	38%	38%
Asia	65%	60%	60%	60%	60%
Number of consumers in worldwide marketing database (millions)	1.0	1.2	1.3	1.5	1.8

Goal 2: Optimize the BC visitors' experience through enhanced customer service.

BACKGROUND

The quality of a visitor's vacation experience while in British Columbia is critical to the ongoing success of the tourism industry. In the long term, British Columbia's tourism industry must continue to grow its reputation as a provider of high-quality services and products. Tourism British Columbia's strategies under this goal are designed to:

- Ensure that visitors have access to the information required to make informed purchasing decisions
- Continue to enhance standards of tourist accommodation, facilities, service and amenities
- Enhance professionalism in the tourism industry.

The Visitor Services division works directly with visitors and industry to help enhance the quality of the BC vacation experience. Programs and services cover the complete purchase cycle, from providing information to booking the vacation to ensuring that the services, accommodations and attractions are high quality and encourage repeat visits.

Over the next three years, technology will play an even greater role in moving Tourism BC to an advanced online business. Early in 2007, industry suppliers will be able to register their products and services through TourismBC.net and participate in marketing programs online. A new reservation platform, that will be introduced in the fall of 2007, will provide increased functionality and further assist consumers in booking their vacation to BC. Moving towards 2010, accessibility standards for all accommodation, plus visitor servicing training for all volunteers, will become priorities for implementation.

VISITOR SERVICES AND SALES

Provincial Gateway Visitor Centres

The provincial government devoted \$8 million in funding for new Gateway Visitor Centres as part of a Golden Era commitment. This has allowed Tourism British Columbia to build or upgrade a series of centres at key entry and geographical points, including Peace Arch, Merritt, Osoyoos, Golden, Mount Robson Provincial Park and Vancouver International Airport. The new centres present an opportunity to impress the visitor through dramatic visual displays, unique building designs and locations, as well as a through a number of products/services designed to enhance the vacation experience in British Columbia.

Key Strategies

- Tender contracts and complete construction of all gateway centres
- Provide accurate and timely information on tourism products and services, and, as appropriate, make reservations/bookings on behalf of the industry
- Set the standard for visitor service by achieving excellence on the semi-annual Quality Service Evaluation Audits
- Increase visits to the centres through integrated marketing programs, improved signage and relevant services.

Visitor Centre Network – Community Visitor Centres

Serving almost three million visitors annually, the 110-member community-operated Visitor Centre Network provides an important link between our tourism industry and the visitor. Visitor Centres welcome travellers as well as provide accurate and up-to-date information and services on the community, region and province. As the frontline of BC's tourism business, their service has a direct impact on the impressions and the experiences of each visitor and contribute significantly to the tourism economy. Extensive research has proven that travellers who frequent a Visitor Centre will extend their stay and visit more tourism products and services.

Key Strategies

- Increase volume to Visitor Centres through cross promotion of distribution channels and integration with marketing programs
- Use quality service evaluations to improve service across all Visitor Centres
- Increase promotion of tourism products and services by improving training tools and delivery
- Improve service delivery of timely and accurate information on tourism products and services by upgrading technology and increasing access
- Support availability of community publications in all Visitor Centres
- Explore additional products and services available to visitors such as Internet access.

Product Sales/Call Centre/Fulfillment

Tourism BC assists operators to sell product direct to consumers through the Product Sales program. Accommodation reservations for over 600 properties are currently made through Tourism BC distribution channels. In the fall of 2007, the addition of activity, attraction and transportation tickets will provide a full suite of tourism experiences for purchase.

One of the key distribution channels is the 1-800 **HELLO BC**® call centre, which provides one-stop information and reservation services to over 200,000 visitors a year. A complete BC travel experience from accommodation or BC Parks reservations, to trip planning and publication distribution, is provided free of charge by trained sales agents. Information kits are distributed through the Tourism BC Distribution Centre located in Coquitlam.

Key Strategies

- Implement the Product Sales program for activities, attractions and transportation across all distribution channels including the Visitor Centre Network
- Implement a new reservation platform that will facilitate more streamlined transactions and increase revenue opportunities for the tourism industry.

2010 Accommodation Management Program

In support of the 2010 Olympic and Paralympic Winter Games, Tourism BC will provide a fully integrated accommodation management system to manage accommodation inventory needs for the Games. Utilizing proven infrastructure, this accommodation solution will maximize the tourism benefits to BC, ensure a positive tourism experience regarding accommodation, and acquire the experience in people and technology for use in future games or major events as a post-games legacy.

As partners, VANOC and Tourism BC have the opportunity to provide a much stronger solution for accommodation management than that of a typical customer/vendor relationship. The

complementary needs and abilities of the two organizations provide the opportunity to collaborate on a more comprehensive solution encompassing technology, staffing, training and customer service.

The solution will create a seamless, one-stop source (Internet, call centre) for the client whether they be part of the Olympic family or general visitors/spectators. The industry will have the advantage of using a familiar system and partner with all venue location requirements being handled in one system.

Key Strategies

- Complete system for inventory loading and usability by April 2007
- Deploy system for full implementation by November 2007
- Utilize system in test events through 08/09 leading up to the Games in February 2010.

Travel Information Management

Visitors view Tourism BC as the unbiased authority of provincial travel information. The Travel Information Management unit is dedicated to the research, collection and verification of all information pertaining to travel in BC. Through strong regional and community relationships and utilizing DMS technology, marketing programs are supported by providing high quality factual travel data.

Key Strategies

- Ensure Tourism BC has the most accurate and up-to-date travel information available by researching, collecting and verifying travel information using our Travel Information Management System.
- Expand the range and depth of travel information through relationships with the tourism industry
- Leverage the full spectrum of DMS and increase efficiency through further automation
- Increase awareness and usage of travel information through education and accessibility.

TOURISM PRODUCT MANAGEMENT

Quality Assurance

Accommodation that meets and exceeds visitor expectations plays a vital role in securing loyal, repeat customers. Tourism British Columbia's Quality Assurance team works with the hospitality industry to enhance accommodations and attractions through industry counselling, approved accommodation programs, including Access Canada, Canada Select and Camping Select rating programs, as well as highway signage programs.

This unit conducts inspections in accommodation products throughout the province to support Tourism BC's HelloBC listing program for accommodations as well the Hotel Association of Canada's Canada Select and Camping Select rating programs and Access Canada, a rating program for facilities and services provided for people with disabilities.

Key Strategies

- Provide consumers with confidence in the quality of accommodation product in British Columbia through inspection and rating programs
- Work with key accommodation associations to maximize the opportunities to influence the quality of the accommodation base throughout BC
- Introduce efficiencies by adopting the use of technology
- Maintain a bi-annual inspection cycle.

2010 Accommodation Accessibility

Tourism BC is committed to accessibility standards of all accommodation products in BC. This program supports the VANOC goals of presenting an integrated Olympic and Paralympic games and providing accessible accommodation information to both the Olympic family and consumers. This multi-year project will result in a complete set of data on accessible accommodation in BC, which can then be utilized by tourism agencies to market the province as an accessible destination to visit.

Key Strategies

- Finalize the assessment tools and standards for the project
- Complete 500 assessments in the Lower Mainland and Whistler by April 1, 2008
- Develop data management processes to make information available for marketing agencies.

Product Service & Support

Tourism BC recognizes the need for a single point of contact for the tourism industry to register with Tourism BC and enrol in marketing programs. Tourism Product Services and Account Management meets this need by providing assistance, counsel and support to tourism businesses throughout the province.

Tourism Product Services provides telephone and online support to tourism businesses for program registration, program participation counselling, problem resolution and signage. In addition, staff conduct thorough quality assurance reviews of all product information provided before it is published online or in publications. Account Management provides in-person support to key tourism businesses and represents Tourism BC at industry events, functions and associations.

Key Strategies

- Provide tourism suppliers with timely and effective assistance through their chosen contact channel: telephone, email, fax or in-person sales calls
- Ensure Tourism BC registration program participation targets are met or exceeded.
- Ensure published product information meets Tourism BC's standards for quality and accuracy
- Resolve problems and complaints within established service guidelines.

TRAINING SERVICES

SuperHost[®]

Superior customer service is a key factor in determining the quality of the visitor experience and in building customer loyalty, and as such is an inherent part of the tourism marketing cycle. The Training Services unit works with industry to ensure the industry consistently delivers quality experiences that will extend the stay and ensure repeat visits.

Training Services develops curriculum materials and supports community organizations that deliver the SuperHost product family, Tourism British Columbia's internationally recognized visitor service training workshops. Every year, nearly 20,000 participants in British Columbia attend any of the eight SuperHost workshops.

WorldHost®

A program of initiatives and resources for communities that are hosting events, conventions or meetings at a community, provincial or world level that require volunteers.

2010 Olympic and Paralympic Winter Games Volunteer Training

The 2010 Olympic and Paralympic Winter Games and the tourism industry will require 40,000 volunteers in need of an overall orientation to the Games, customer service training and general community visitor information. In co-operation with VANOC and the industry, Tourism BC will implement a standardized core program based on *Welcome the World Ambassadors* for the tourism portion of volunteer training to be developed and implemented over a three-year time frame.

Key Strategies

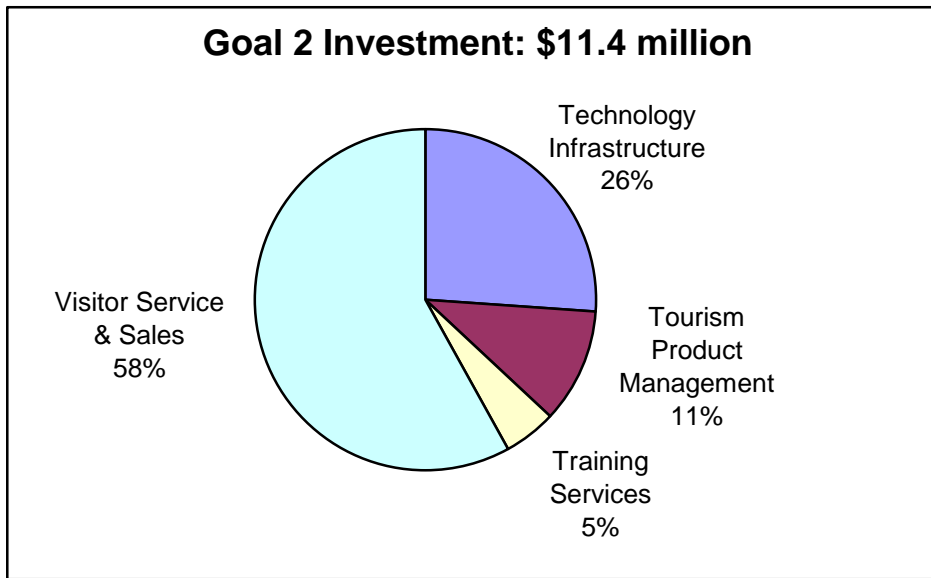
- Expand sales effort to corporate businesses
- Work with community organizations to promote increased participation
- Increase product family with the launch of Service for our Chinese Visitors in spring 2007
- Create five new modules for *SuperHost 2010 and Beyond* initiatives
- Implement province-wide *Welcome the World Ambassadors* training program for volunteers
- Work closely with Legacies Now, Volunteers Now and VANOC in the design and development of a core training program
- Develop an implementation plan in coordination with SuperHost agencies throughout BC.

INFORMATION TECHNOLOGY

Information Technology (IT) provides technology leadership for Tourism British Columbia, and to the industry through the development and implementation of IT strategies to support current and future business requirements. In addition to day-to-day responsibilities for office systems and business applications, this unit is also responsible for maintaining technical support for all of Tourism BC's business applications, including websites.

Key Strategies

- Maintain effective and efficient performance of the technology platform at Tourism BC
- Apply best practice of IT governance and project management to all IT projects
- Implement enabling technology in infrastructure, data management, and business applications to support Tourism BC's business mandate
- Ensure the technology platform provides expanded options for both industry suppliers and consumers in their business dealings with Tourism BC
- Liaise with industry partners to identify complementary technology strategies.



Goal 2: Optimize the BC visitors' experience through customer service					
Performance Measures	Performance Targets				
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
# of visitors served at Visitor Centres (millions)	3.4	3.5	3.6	3.7	4.0
# of tourism businesses listed on HelloBC.com :					
• Accommodation	2,964	2,900	2,900	2,950	3,000
• Non-accommodation	n/a	500	1,000	1,250	1,500
# of participants trained through SuperHost training programs.	15,281	20,000	20,000	22,000	24,000

Goal 3: Improve tourism market readiness of new and emerging tourism sectors and products.

BACKGROUND

Strategies under this goal are intended to improve the ability of existing and new tourism operators to access information and services that will help them grow their business by identifying opportunities, acting on them and continuing to innovate. Successfully implemented, these strategies will create the market-ready conditions that help ensure the tourism industry is forward-looking and responsive to tourism market demands.

Business Development

The Business Development division focuses on generating revenue through non-traditional partnerships that include leveraging with partners such as the Tourism Alliance of Western Canada and with the development and operation of business units such as *British Columbia Magazine*. The division also assists the tourism industry through regional, community and sector development and marketing programs as well as providing accurate and relevant research for effective planning.

Marketing Development

Marketing Development assists in tourism planning and marketing program implementation with communities, product and cultural sectors, as well as the six regional destination marketing organizations.

Community Tourism Planning and Development

Communities can participate in overall community tourism development or focus on community sport tourism development. The **Community Tourism Foundations**[®] development program is designed to assist communities seeking guidance in further developing tourism as an economic development generator. The program offers tools and resources to jointly produce a multi-year community tourism plan and a research-based marketing plan. The Community Sport Tourism development program, which was created in partnership with 2010 Legacies Now, provides the tools and resources to assist in the creation of a community sport tourism plan.

Key Strategies

- Continue to provide the Community Tourism Foundations[®] development program
- Continue to provide the Community Sport Tourism program in partnership with 2010 Legacies Now, the Canadian Sport Tourism Alliance and the Ministry of Tourism, Sport and the Arts.

Tourism Product Sector Planning and Development

Experiences BC, a tourism product sector planning and development program, is designed to assist existing product and cultural sectors as well as encourage businesses to form sectoral alliances. The program offers tools and resources to jointly produce a multi-year sector tourism plan and a research-based marketing plan.

Key Strategies

- Continue to provide the Experiences BC tourism product sector marketing development program
- Aboriginal tourism development.

Research Services

Research Services builds knowledge, fosters insight and shares information on tourism for Tourism British Columbia, the tourism industry and all stakeholders. To accomplish this, Research Services monitors the performance of the tourism industry and conducts research and analysis to support all planning needs.

Key Strategies

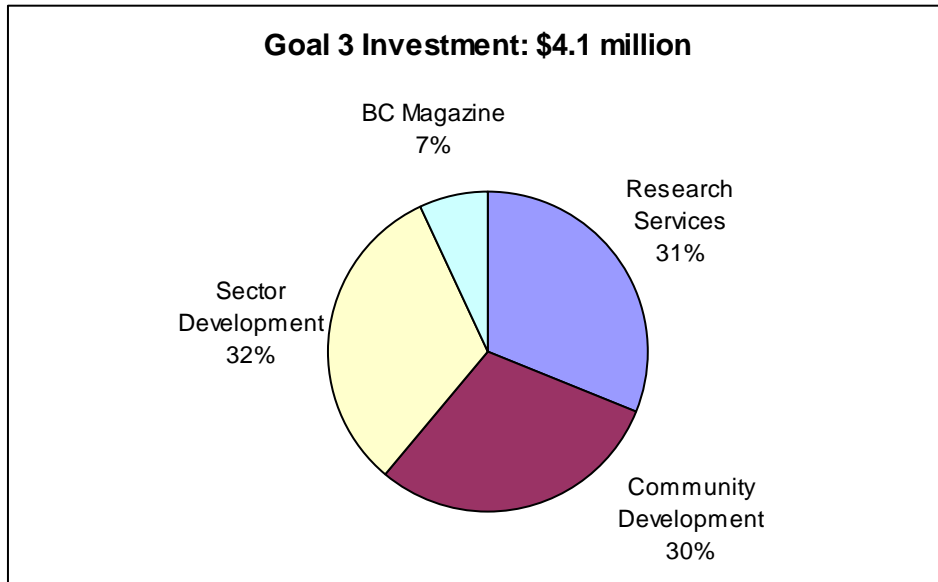
- Develop new volume and revenue methodology
- Develop and implement program, community and sector evaluation tools
- Strengthen relationships with key partners and institutions engaged in research.

British Columbia Magazine®

This award-winning magazine is read by nearly 1.4 million people in BC, across Canada and around the world. It is used as a cost-effective tool to generate awareness of the province. The magazine features well-researched articles and the highest-quality photography to present BC's natural beauty, diversity of parks, wilderness and wildlife, opportunities for outdoor exploration, adventure and travel, and legacy of history and heritage places. Published quarterly, it continues to inspire travelling audiences with profiles of BC's beautiful places, intriguing journeys and remarkable people.

Key Strategies

- Continue to improve upon all magazine processes and supplier agreements
- Leverage low-cost, high-volume, awareness-building opportunities to increase unit sales and ensure a stabilized circulation base
- Pursue short-term opportunities within the tourism sector and build on long-term engagement with non-tourism advertisers.



Goal 3: Improve tourism market readiness of new and emerging tourism sectors and products					
Performance Measures	Performance Targets				
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Total number of communities assisted	126	138	150	162	174
BC Magazine – maintain circulation levels (thousands)	115	116	116	116	116
Unique visits to Research website	15,500	15,000	16,000	17,000	18,000

Goal 4: Create a positive corporate culture within an efficient and effective organization.

Support services include Corporate Services, Facilities, Human Resources, CEO’s Office, Board of Directors and Communications. Strategies supporting this goal contribute to Tourism British Columbia’s performance by continuing to strengthen the qualities that make it a highly effective organization.

Key Strategies

- Conduct a survey of Tourism BC stakeholders to evaluate effectiveness of programs.
- Maintain administration costs below those of comparable organizations
- Continue to instill a values-based and productive corporate culture.

Performance Measures	Benchmark	Performance Targets				
		2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Employee survey: “I am proud to work for my organization”	62%**	95%	95%	95%	95%	95%
“The work I do makes an important contribution to my organization’s success”	68%**	87%	93%	93%	93%	93%
Industry Stakeholder satisfaction survey of Tourism British Columbia programs and services (1-5 scale)	3.5	3.93	3.9	3.9	3.9	3.9
Cost of Support Services as a percentage of total budget	17.5%*	8.2%	9.4%	10.0%	9.0%	9.0%

* Benchmark is Canadian Tourism Commission

**Benchmark is Provincial Government public service

SUMMARY FINANCIAL OUTLOOK

\$000s	2005/06	2006/07	2007/08	2008/09	2009/10
	Actual	Forecast	Estimate	Estimate	Estimate
Revenue	restated				
Hotel room tax (note 1)	\$ 27,565	\$ 30,900	\$ 32,400	\$ 61,700	\$ 64,800
Grant from Ministry of Tourism Sport and Arts (note 2)	22,435	19,100	17,600	-	-
Other Provincial Government contributions	399	624	50	200	200
	50,399	50,624	50,050	61,900	65,000
Interest and other	506	716	580	480	480
	50,905	51,340	50,630	62,380	65,480
Operations, net					
Marketing	27,476	27,023	26,649	36,095	37,978
Visitor servicing	11,124	11,436	11,487	11,468	12,333
Business development	4,463	4,439	4,107	5,951	6,180
Support services	4,692	4,742	5,037	5,166	5,289
Amortization	1,556	3,700	3,350	3,700	3,700
Writedown of intangible asset	570	-	-	-	-
	49,881	51,340	50,630	62,380	65,480
Net operating revenue	1,024	-	-	-	-
Accumulated surplus, ending	5,048	5,048	5,048	5,048	5,048
Capital investment					
Marketing technology and website	2,665	2,109	3,723	2,745	1,820
Osoyoos Gateway Visitor Centre	25	1,992	-	-	-
Peace Arch Gateway Visitor Centre	-	12	4,570	-	-
Merritt Gateway Visitor Centre	-	23	3,066	-	-
Other	642	437	461	671	165
	3,332	4,573	11,820	3,416	1,985
FTEs	129	138	143	145	146

Key Assumptions and Risks

Note 1 Hotel tax revenue forecasts provided by the Ministry of Finance. Currently, Tourism BC receives 1.65 points of the 8% hotel tax. Beginning in fiscal 2008/09, the plan assumes that Tourism BC will receive 3.0 points of the 8% hotel tax.

Note 2 Until 2008/09, Tourism BC's annual funding is a fixed \$50 million, sourced from their share of the hotel tax and an annual operating grant from a voted appropriation from the Ministry of Tourism, Sport and the Arts. The risk of a decline in hotel tax would be offset by an increase to the ministry grant in order to maintain total funding of \$50 million.

APPENDIX 1: BOARD OF DIRECTORS

Allen Tozer Chair

Allen Tozer was appointed in 2002. He is president of Lexlaur Properties Inc., a hospitality and commercial property company. Mr. Tozer is a member of the board of governors of Okanagan College, member of the board of BC Assessment, vice president of finance and director of the Thompson Okanagan Tourism Association and coordinator of the Okanagan Wine Festivals Society. He served as president of the Thompson Okanagan Tourism Association in 1998, and of its precursor –the Okanagan Similkameen Tourism Association– from 1995 to 1998, after serving five years as a director.

Kevin Walker Vice Chair

Kevin Walker was appointed in 2006. He is president of Walker Hospitality, which owns and operates the Oak Bay Beach Hotel in Victoria and manages the Miraloma on the Cove, a five-star boutique hotel in Sidney, BC. With a career in tourism spanning 30 years, Mr. Walker is currently a member of the Premier's Tourism Industry Advisory Council as well as chair of the Hotel Association of Canada. In 2005, Mr. Walker received the prestigious "BC Tourism Industry Leader of the Year" award.

Bill Barkley

Bill Barkley was appointed in 2006. He is very well known in the museum, heritage and tourism circles. He spent 24 years in management at the Royal British Columbia Museum and from 1984 to his retirement in 2001 was the CEO. Currently, Mr. Barkley is a busy cultural consultant working on projects in BC and across Canada. He serves on several boards, including those of Craigdarroch Castle, the Nature Conservancy of Canada, the Federation of Canadian Friends of Museums, and as chair of the Virtual Museum of Canada.

Frank Bourree

Frank Bourree was appointed in 2001 and is a principal in Chemistry Consulting. Formerly a business consulting partner for Grant Thornton LLP's Business Consulting Services division in Victoria, Mr. Bourree has more than 25 years of personal and professional experience in the tourism and hospitality industry. He is widely recognized as an expert advisor to the accommodation and food and beverage sectors.

David Brownlie

David Brownlie was appointed in 2006. He is CEO of Intrawest Mountain Resorts, with properties including Whistler Blackcomb and Panorama. A graduate of the University of British Columbia and a chartered accountant, Mr. Brownlie has played an integral role in the development of these resorts and is an active participant in the community. He serves as a director for the Whistler Resort Association and the Whistler Blackcomb Foundation.

Harley Elias

Harley Elias was appointed in 2005 and is a director for Tourism Campbell River and Region. He has a broad-ranging background in tourism education, market research, hospitality consulting, resort operations and management. Mr. Elias also serves as co-chair of the board of the BC Centre for Tourism Leadership and Innovation.

Terry Farmer

Terry Farmer was appointed in 2004. He is the founder and president/CEO of Accent Inns Inc. He is past president of the BC Chamber of Commerce and has sat on many tourism business and charity boards. In 1998, Mr. Farmer was awarded the Entrepreneur of the Year Award for Tourism and Hospitality (Pacific Region).

Kelley Glazer

Kelley Glazer was appointed in 2001. She is the director of sales and marketing for the Delta Victoria – Ocean Pointe Resort & Spa. Formerly the director of sales and marketing for the Ramada Hotel Downtown in Prince George, Ms. Glazer has also served as president of the Northern British Columbia Tourism Association and as a director of the Council of Tourism Associations of British Columbia.

John Korenic

John Korenic was appointed in 2002. He is the aviation marketing director for the Vancouver International Airport Authority. He was also formerly a director of Pacific and Europe Alliances for Canadian Airlines International Ltd. and worked with Wardair Canada Inc.

Charles McDiarmid

Charles McDiarmid was appointed in 2002. He is the managing director of the Wickaninnish Inn & Pointe Restaurant at Tofino, near the Pacific Rim National Park. He also served as Tourism Vancouver's sales director after working for the Four Seasons Hotel Group in management positions in Calgary, Washington, DC., Dallas, Newport Beach and Seattle.

Debbie McKinney

Debbie McKinney was appointed in 2006. She is General Manager, Group Sales and Marketing, with one of British Columbia's most unique private visitor attractions - Hell's Gate Airtram. She has had extensive industry involvement, including a wide range of positions with the Vancouver Attractions Group, Vancouver, Coast & Mountains Tourism Region and the Council of Tourism Associations. She currently chairs the Vancouver Attractions Group and has a strong commitment to destination development and marketing *Super, Natural British Columbia* to the world.

Stuart McLaughlin

Stuart McLaughlin was appointed in 2002. He is president of Grouse Mountain Resorts, Whistler Water, Polaris Water Company and a director of the Mountain Experience for Kicking Horse Mountain Resort. He is a past chair of Tourism Vancouver.

Don Monsour

Don Monsour was reappointed in 2004. Mr. Monsour chairs both the Victoria Restaurant Association and the International Culinary Tourism Association (ICTA). Mr. Monsour is also a past president of the British Columbia Restaurant and Foodservices Association.

Mike Smith

Mike Smith was appointed in 2006. He is a principal with Links Investments Ltd, a consulting/management business focusing on the golf industry in British Columbia. He was the owner/operator of a successful group of retail stores in the Kootenay Rockies and has had extensive experience in destination marketing. Currently chair of Kootenay Rockies Tourism, Mr. Smith has contributed tremendously to the development of the tourism industry in British Columbia.

APPENDIX 2: PERFORMANCE MANAGEMENT SYSTEMS

To ensure Tourism BC continues to be responsive to the needs of the tourism industry, performance measures have been incorporated at three levels: industry performance, corporate performance, and individual business unit performance. The following table highlights the key industry and corporate performance measures.

Performance Measure	Objective of Measure	Data Source
Provincial tourism revenues	To track progress towards doubling tourism revenues by 2015.	Tourism BC. The base revenue was established in a 1996 Angus Reed survey <i>BC Visitor Study</i> . Tourism BC updates the data annually by monitoring an extensive combination of indicators with particular focus on accommodation statistics such as room revenue, occupancy levels and average daily room rates. In addition, Tourism BC monitors visits through customs entries, airport arrivals, cruise ship activity, attendance at provincial parks, ferry and highway traffic, and visitor party information gathered from the 110+ Visitor Centres.
ROI, North America program	To measure the return on investment from Tourism BC's North America promotions.	Ongoing Conversion Studies from an independent third party.
Equivalent dollar value of unpaid media	To measure the value of unpaid coverage of British Columbia tourism in print, TV, radio.	Tourism BC
Unique visitors to consumer websites(millions)	To track # of visitors to Tourism BC consumer website as a success indicator of marketing programs.	Tourism BC
BC's share of Canadian product in key tour operator offerings	Track BC product availability within key trade accounts.	Tourism BC
Number of consumers in worldwide marketing database	To track # of consumers demonstrating interest in visiting British Columbia.	Tourism BC

Performance Measure	Objective of Measure	Data Source
# of visitors served at Visitor Centres (millions)	To measure # of visitors seeking tourist information at the 110 Visitor Centres throughout the Province.	Tourism BC
# of tourism businesses listed on HelloBC.com : <ul style="list-style-type: none"> • Accommodation • Non-accommodation 	To track # of tourism businesses registering for Tourism BC online programs	Tourism BC
# of participants trained through SuperHost® training programs.	To measure one of mandated objectives: “enhance professionalism in the tourism industry”.	Tourism BC
Number of Communities assisted	To measure # of BC communities assisted by TBC community programs	Tourism BC
BC Magazine – circulation (thousands)	To measure exposure of Tourism BC’s highly acclaimed magazine.	Tourism BC
Unique visits to Research website	To measure number of users of Tourism BC-produced tourism industry research.	Tourism BC
Employee survey	To measure employee satisfaction.	Tourism BC “Culture Survey”
Industry Stakeholder satisfaction survey of Tourism British Columbia programs and services (1-5 scale)	To measure external stakeholder satisfaction with Tourism BC programs.	Annual Stakeholder Survey – Tourism BC Research Dept.
Support Services costs	To measure support services costs and compare against similar organizations to demonstrate efficiency.	Tourism BC; Canadian Tourism Commission

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