

Vancouver Island North

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## **BUSINESS PLAN**

### **2012**

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*Submitted to:*

*Vancouver Island North Tourism Advisory Committee and*

*The Regional District of Mount Waddington*

*November 2011*

*Prepared by:*

*Tourism Vancouver Island*

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## EXECUTIVE SUMMARY

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The 2012 Business Plan is prepared in consideration of the goals and objectives set out in the Vancouver Island North Regional Tourism Plan and the North Vancouver Island Tourism Plan Update Report (July 2011). This Business Plan focuses on the operations of Vancouver Island North Tourism and is to be utilized in conjunction with an Annual Marketing Plan.

In 2001 the provincial government set a target of doubling tourism revenues by 2015. This is a very aggressive forecast that is not without risk, as all market conditions need to be positive to achieve it. The average annual increase in room revenues to the province of BC from 1995 to 2008 was 5.1% growing from \$1 billion in 1995 to \$1.98 billion in 2008. In relation to the goal of doubling tourism from 2001, provincially room revenue has grown from \$1.47 billion in 2001 to \$1.97 billion in 2008. The downturn in the economy in 2009 has had a significant impact on our ability to reach this goal. In 2009 the provincial room revenues exceeded the predicted decrease of 7.8% in room revenues, coming in at a reported 11.8% down from 2008. The Vancouver Island region room revenues were also down from 2008 to 2009, but by a slightly smaller percent than the provincial statistic, with a decrease of 9.3%. Provincially, in 2010, there was a recovery of 12.2%, nearly equal to 2008 room revenues, due in large part to the success of the 2010 Olympic Games. The immediate impact of this event was localized, and the room revenue recovery was not reflected in all regions of the province. In 2010, the Vancouver Island region room revenues remained essentially flat from 2009, with just a 1.2% decrease.

The Regional District of Mount Waddington has seen an average increase of 5.3% in room revenues from 2001 to 2008, growing from \$5.5 million in 2001 to \$8.0 million in 2007. The most significant annual increases took place in 2006, up 11.6%, and 2007 up 16.3% over the previous year's revenues. This trend slowed down in 2008 with an increase of 2.0%, and was affected by the economic downturn in 2009 with a decrease of 15.6%. While the economy has not yet fully recovered, the turn-around continues and in 2010, the Regional District of Mount Waddington was one of few districts in the Vancouver Island region to see room revenue growth from 2009, with an increase of 6.3%. Comparisons to-date for 2011, both regionally and provincially, have not been included due to provincial room revenue data being unavailable past December 2010 at the time of this report.

Moving forward, Vancouver Island North Tourism, with solid input from the Advisory Committee, has developed a strong Marketing Plan that incorporates multiple media avenues, and that is targeted towards the key geographic and demographic markets identified by the Committee during annual planning sessions. Vancouver Island North is well positioned to maintain the forward momentum of the past three years and continue to build on the successes that have been achieved.

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*Room revenue statistics included above have been sourced from BC Stats*

## REVIEW OF 2011

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Since the inception of the Vancouver Island North Tourism Plan in 2008, significant progress and achievements have been realized through the collaboration and dedication of the Regional District of Mount Waddington, the Vancouver Island North Tourism Advisory Committee, Tourism Vancouver Island, and stakeholders in the region. 2011 has brought opportunities to build on the recognition established in the first years of this project, and Vancouver Island North Tourism continues to see many tangible successes including:

- Coordination of the Vancouver Island North photo contest in partnership with the North Island Gazette; contest ran June to September and had 427 images submitted, contest prizes donated by 6 stakeholders for a combined value of nearly \$900
- Media relations:
  - Hosted press trips with travel writers from America Magazine (Netherlands); and provided coordination support for travel writers from Highways Magazine (US & Canada), The Age Newspaper (Australia), AOL Canada (blog), Perceptive Travel with content feed to USA Today (US and worldwide)
  - Provided content and/or images for Tourism BC's Fresh Story Ideas (newsletter distributed to TBC's international database of travel writers); SOAR (Pacific Coastal in-flight publication); The Milepost (Alaska and northwest Canada travel guide)
  - For the second year in a row, worked with the producer of TSN's "Lumberjacks" TV series, providing b-roll footage for 3 episodes being created from filming at the Port McNeill event
- Travel trade:
  - Coordinated collection and communication of Vancouver Island North information for inclusion in Tourism Vancouver Island material distributed at Rendez-vous Canada and Tourism BC's travel trade contacts
  - Provided content and images to Tourism BC's Germany office for use in their travel trade consumer newsletter

In terms of Vancouver Island North Tourism's goals for the year, continued progress was made in building the awareness of the value of tourism such as:

- Stakeholder visits within the region to follow-up on Vancouver Island North Tourism programs, deliver regional tourism material and present available opportunities
- Delivered 4 stakeholder newsletters highlighting cooperative opportunities, upcoming event information, and tourism industry resources
- Worked with Tourism BC to coordinate the Community Tourism Foundation North Vancouver Island Tourism Plan revisit session; 19 tourism, First Nation, and municipal stakeholders in attendance
- Tourism Season Launch event with educational component and networking opportunity; 41 stakeholders attended
- Presented Vancouver Island North Tourism information at Port McNeill Chamber of Commerce meeting and Port Hardy official community planning session
- Assisted in planning, and attended a session presented by Aboriginal Tourism BC in partnership with the District of Port Hardy, the Regional District of Mount Waddington, and the Ministry of Jobs, Tourism and Innovation; 3 First Nations attended - Gwa'sala-'Nakwaxda'xw, Kwakiutl, and Quatsino
- Represented Vancouver Island North Tourism at the Regional Fall Fair
- Worked with the North Island Gazette to feature "Day Trip" editorial during the summer months to highlight regional tourism experiences to North Island residents

- One press release published February 2011 – VINTAC Chair election & 2010 successes (including North Island Gazette and Business Vancouver Island)
- Fostered relationships with the Chambers of Commerce, Mount Cain, and the Northern Vancouver Island Trails Society
- Developed relationships with Recreations Sites & Trails BC, and the BC Marine Trail Network

Additionally, Vancouver Island North Tourism realized major accomplishments towards the goal of increasing tourism revenues to the region:

- Coordinating 10 cooperative opportunities, with stakeholders participating an estimated 207 times (123 unique stakeholders, some participating in multiple programs) and projected stakeholder investment of over \$82,000
- Launched Vancouver Island North Facebook fan page (241 fans), Twitter account (112 followers) and YouTube channel (933 views)
- Attended the Calgary Home & Garden Show, the BC Home & Garden Show, and the Vancouver Island Outdoor Adventure Expo, representing Vancouver Island North Tourism; 12 stakeholders donated prizes for multiple shows
- Initiated an agreement to provide a regional, Vancouver Island North focus to the visitor services provided on-board the BC Ferries Inside Passage route
- Gained enough stakeholder support to expand from a ½ page cooperative ad, to the inside front cover position of the 2012 Tourism BC Outdoor Adventure Guide
- Partnered with 5 new properties for enrollment in the 2012 Tourism BC Approved Accommodation Guide, and offered re-enrollment incentive to 25 properties that had participated the previous year
- Began a search engine optimization program that has produced an increase of over 100% in visitor traffic to the website
- Continued development of the partnership with the North Island Gazette, working collaboratively to continuously improve the North Island Visitor's Guide, and initiate the Stay & Save book, the Island Wide Campaign and the Vancouver Island North photo contest
- Maintained distribution of regional publications; visitors map, at over 240 locations on Vancouver Island, and regional lure brochure, on the BC Ferries major routes and the Inside Passage

Over the past few years, prior to and since the development of Vancouver Island North Tourism, the region has enjoyed many considerable accomplishments such as:

- Expansion to trail infrastructure (i.e.: Port McNeill, Alice Lake Loop, Beautiful Bay, Cormorant Island, San Josef Bay, Raft Cove, North Coast Trail)
- Success of the Quatse Salmon Stewardship Centre, Phases I & II
- Community enhancements (i.e.: Port McNeill Harbour, Alert Bay waterfront)
- Success of the Rural Tourism Action Grant program established by the Regional District
- Successful recovery marketing strategy following the sinking of the Queen of the North
- Road and highway improvements
- Worked with Regional District in coordinating design and installation of Zeballos and Hoomak Lake map & community highway signage

Additionally, the Vancouver Island North Tourism Advisory Committee is a strategic, cohesive group that provides sound feedback and support in the implementation of the plan. Through the dedication of this group a solid Marketing Plan has been developed for 2012 that incorporates print and on-line advertising, social media, consumer shows, media relations, travel trade relations, and support for an online itinerary building and travel planning tool.

## DESCRIPTION OF BUSINESS

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**Vancouver Island North Tourism (VINT)** – The Vancouver Island North structure is a unique and innovative approach to community destination marketing. The role of the regional representative is to coordinate and implement tourism management, development and marketing for Vancouver Island North, managed by Tourism Vancouver Island (TVI), and contracted by the Regional District of Mount Waddington.

This structure includes a staff member physically located in the region, dedicated full-time to implementing this Regional Tourism Plan and coordinating regional marketing initiatives, while also providing the experience and resources of TVI to ensure its ongoing success.

The **Vancouver Island North Tourism Advisory Committee (VINTAC)** is a key component of the tourism structure and the development of a mechanism for obtaining local input and direction for Vancouver Island North Tourism. VINTAC is a representative group of local tourism industry stakeholders who advise the contractor, Tourism Vancouver Island.

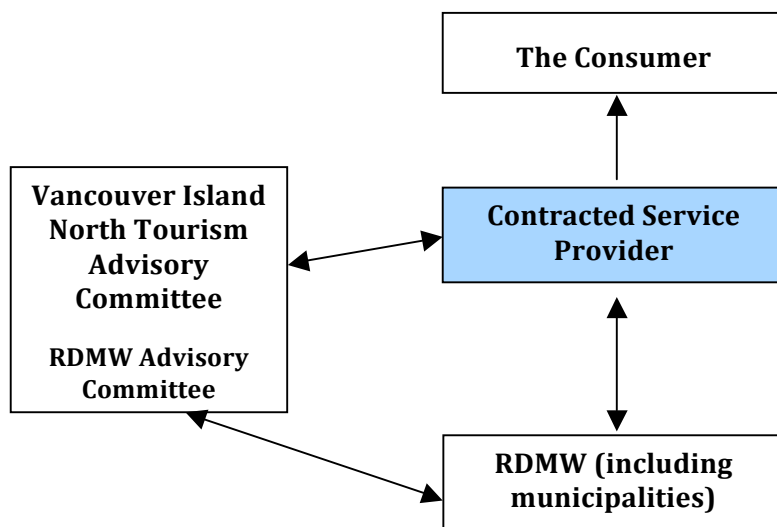
VINTAC will recommend and the Regional District of Mount Waddington will approve the committee members annually, prior to the end of the calendar year. For 2012, the structure of committee will be modified as per the recommendation from VINTAC (supported by the findings of the CTF North Vancouver Island Tourism Plan Update Report), and the approval of the Regional District of Mount Waddington. The intent is for the Tourism Operator positions to be regionally representative. The Strategic Appointment positions will be used first to ensure that regional representation is achieved. The Vancouver Island North Tourism Advisory Committee will elect a chair annually from within the committee at the first meeting of the calendar year following the appointment of the committee.

A decision has been made by VINTAC that beginning 2012, a 10% project administration fee will be applied to all Vancouver Island North Tourism marketing programs with a stakeholder buy-in component. Collection of this fee will provide additional marketing dollars, and help to support the long-term sustainability of the regional tourism project.

### **2012 VINTAC Structure:**

<b>Position</b>
1. Tourism Operator
2. Tourism Operator
3. Tourism Operator
4. Tourism Operator
5. Tourism Operator
6. First Nation
7. Regional District of Mount Waddington [appointed]
8. Strategic Appointment
9. Strategic Appointment
10. Strategic Appointment
11. Strategic Appointment

The following diagram provides an overview of the structure for managing and promoting tourism in North Vancouver Island.



### **The Committee**

- Local operator-led membership
- Advises RDMW on plan
- Assesses contractor performance
- Ensures business plan reflects regional priorities and input of the committee
- Ensures cooperative marketing and advertising initiatives have local support
- Ensures that business plan reflects community needs and is not top-down
- Approves sub-contracts of over \$15,000
- Approves staffing and office leases
- Follows RDMW committee structure and conventions

### **The Contracted Service Provider(s)**

- Interprets committee's directions
- Prepares provisional plans and budgets
- Manages staff and office
- Manages cooperative marketing, private sector cash flow
- Manages product development and projects
- Manages the DMO Vancouver Island North
- Acts as Secretary to VINTAC
- Prepares VINTAC funding proposals for RDMW
- Submits monthly activity report and all VINTAC minutes to RDMW
- Submits an annual report, signed by the CEO or CFO, of stakeholder contributions
- Prepares petitions for the municipal and RDMW hotel tax bylaws ahead of the 2014 renewal

### **Regional District**

- Contract management (AHRTs, grant aid, taxation requisition)
- Approves VINTAC membership, Terms of Reference and annual plans
- Monitors deliverables and cash flow through the Economic Development Manager
- Reviews VINTAC governance structure annually

## VISION AND OBJECTIVES

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The following vision statement for Vancouver Island North Tourism was developed from the visioning elements identified by the tourism stakeholders. The vision seeks to reflect the character of the region, its cultural and natural features and the opportunity that tourism presents for on-going economic activity rather than being solely focused on the organizational goals of the lead tourism agency.

### ***Tourism Vision:***

*“To create an accessible and attractive year-round destination, with world class tourism experiences highlighting the region’s natural and cultural resources through quality tourism products and services.*

*Tourism will be supported by the local municipalities, industry operators, First Nations and managed through a sustainable structure that collectively promotes the North Vancouver Island region for the benefit of all.”*

The overall objectives are as follows:

*Increase tourism revenue to the region by 5% annually from 2011-2013*

*Increase the number of visitors to the region by 3% annually from 2011-2013*

The objectives reflect a preference towards growing revenues as opposed to just the number of visitors. This can only be achieved by continuing to address product development, packaging and destination management initiatives. Vancouver Island North needs to provide visitors with a reason to stay longer and spend more money within the region.

The following guiding principles were identified in the North Island Tourism Plan and will guide the direction and efforts of Vancouver Island North Tourism.

1. The community will pursue sustainable tourism that provides for meaningful destination experiences while respecting the region’s natural heritage, cultural resources and social character; improving the **quality of life** enjoyed by citizens; and, enhancing the economic health of the community.
2. The tourism plan will be **yield driven** and emphasize the need to concentrate on increasing visitor spending, as opposed to focusing solely on increasing visitor numbers.
3. The destination marketing and management function of tourism within Vancouver Island North will be driven by a **business perspective** that treats tourism as a major business within the region. Adopting a business model also includes ensuring an **inclusive approach** to tourism planning with community and industry partners; destination marketing in collaboration with industry to "build the business"; and, facilitation of product development to ensure a competitive tourism product.
4. The destination must be responsive to visitor needs and ensure that the plan is **consumer focused**. The tourism industry needs to understand the visitor first, develop tourism experiences to meet those needs, and then market the appropriate tourism experience to the appropriate type of visitor.
5. Local government will **foster a positive environment** for the tourism sector and recognize the significance of tourism to the local economy.

## 2012 GOALS

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The following goals for Vancouver Island North Tourism were developed during the preparation of the North Vancouver Island Regional Tourism Plan and from the findings of the North Vancouver Island Tourism Plan Update Report (July 2011). Some of the goals identified in the plan have already been met, such as the creation of Vancouver Island North Tourism Structure and a cooperative funding structure. The Business Plan is supported by the 2011 Marketing Plan and 75% of resources will be put towards the tactics identified within the Marketing Plan and 25% of resources will be put towards business development and other non-promotional activities.

### Goal 1: To increase tourism revenues to the Vancouver Island North region.

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- Create cooperative marketing opportunities to promote visitation to the North Island region and facilitate investment by existing tourism operators
- Utilize existing research and tourism publications to stay informed of new developments and current market information
- Develop internal programs to measure growth and the effectiveness of marketing initiatives
- Develop specific marketing tactics/plans around: print advertising, on-line advertising, consumer shows, and media relations
- Implement the 2012 Marketing Plan developed by the Vancouver Island North Tourism Advisory Committee
- Focus on the following demographic target markets:
  - 80% - Couples or small groups, age 40+, income \$50,000+, post-secondary education
  - 20% - Adventure enthusiasts, under 40 years old; target using social media and other non-traditional forms of communication

### Goal 2: To build awareness of the impact of tourism on the local economy.

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- Raise the level of awareness of the value of tourism to the economy within the region's communities and municipalities
- Raise the awareness of tourism among local businesses
- Work with local media to regularly communicate the value of tourism to the regional economy
- Vancouver Island North Tourism coordinator to work closely with other key local organizations to achieve the tourism objectives outlined in this plan
- Build strategic alliances with other key businesses, operators and providers that provide links to the region
- Develop monitoring systems to measure the level of satisfaction of promotional programs, and feedback mechanisms
- Explore the opportunity of utilizing the Community Tourism Foundations "Value of Tourism" model to generate baseline estimates of tourism's contribution to the region
- Build relationships with activity operators leading towards development of a culture of reporting

### Goal 3: To support improved product quality that meets consumer demand.

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- Encourage industry stakeholders to ensure product quality meets visitor expectations
- Encourage tourism operators to participate in quality assurance programs
- Offer short-term financial assistance to eligible accommodation providers in attaining Tourism BC

- Approved status (see “TBC Approved Accommodation Guide” under Primary Tactics in 2012 Marketing Plan)
- Support the use of quality assurance standards and programs within the industry
  - Support initiatives to improve transportation infrastructure and services
  - Participate and liaise with provincial sector development opportunities offered through Tourism BC and Aboriginal Tourism BC
  - Explore development of a comprehensive product inventory and identify gaps/opportunities in tourism product and available experiences
  - Encourage all operators to be attentive to and participate on consumer review sites

**Goal 4: To provide training and educational opportunities to the industry.**

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- Support industry stakeholders in researching and acquiring information on current marketplace expectations and opportunities
- Research funding programs to support stakeholder education in the areas of customer service, product quality and capacity
- Assist in acquiring information and resources that would enable stakeholders to have access to the appropriate training and professional development programs and provide information on best practices
- Support stakeholders in researching and gaining access to appropriate training and professional development programs
- Explore training programs and workshops that would support the cultural and natural attributes of the region
- Support the development of new regional and community packages that highlight the core experiences of culture and nature

**Goal 5: To continue to develop a strong and unified organizational structure.**

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- Build a Vancouver Island North Tourism Advisory Committee structure that has a strong focus on tourism operators and regional representation
- Define and maintain a clear understanding of the roles of various partners in developing the tourism industry, and building its value as a critical part of the regional economy
- Continue to explore new funding opportunities and be well positioned to capitalize on them
- Support building stronger relationships with First Nation communities
- Build a strong sense of community and partnership through stakeholder communication to add relevance to VINT as the lead tourism organization

**LOCATION**

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The Vancouver Island North Tourism office is situated in the Port Hardy Chamber of Commerce building located at 7250 Market Street, Port Hardy, BC. The location of the office was established in August 2009 through a request for proposal process. All proposals were evaluated by a task force of members from the Vancouver Island North Tourism Advisory Committee.

## CHALLENGES, OPPORTUNITIES AND POINTS OF DIFFERENCE

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As with many communities within the Vancouver Island region visitor numbers reported thus far for 2011 are relatively flat compared to 2010. Anecdotally, tourism operators are reporting that visitation during the peak months was steady and September seemed strong.

Vancouver Island North Tourism continues to have the potential to increase the tourism contribution to the local economy by cooperatively working with private sector and targeting the close-in markets (Vancouver Island and lower mainland) to drive visitation to the North Island. There continues to be an increased awareness of tourism in British Columbia as a result of the 2010 Olympic Games, and with that, Tourism Vancouver Island was able to build awareness for the entire Vancouver Island region with their 2010 & Beyond strategy. Vancouver Island North is well positioned to take advantage of this increased awareness and build on the recognition gained in the first years of this project.

The challenges and opportunities that follow capture the big picture for Vancouver Island North, and take a longer view of regional tourism, past the 2012 calendar year.

### CHALLENGES

Several challenges and issues face Vancouver Island North Tourism. Many are ongoing challenges:

- Quality assurance - upgrading of existing fixed roof accommodation within the region is a significant issue. Many properties have not seen the level of investment needed over the last 10 years to meet current consumer expectations. Additionally, there is a lack of standards for tourism operators and where standards are in place, there is no enforcement.
- Changing the visitor dynamic - a more significant issue is the dilemma facing the industry to increase the visitor's length of stay. During the summer season the fixed roof properties in Port Hardy and Port McNeill are at capacity every second night with BC Ferries northern routes traffic.
- Low awareness in the marketplace – the regional market awareness and perceptions study highlighted the relatively low awareness of Vancouver Island North among regional tourism markets (i.e. GVRD, Alberta and Washington State). There is also lack of support by external bodies (i.e.: Visitor Centres) to promote awareness of the region.
- Limited new product development within the region.
- Barriers to product development from the perspective of potential investors.
- Transportation and access constraints limit market growth - the region's fairly remote location is a challenge for attracting shorter getaway-type vacations, which emphasizes the need to develop packages and products that motivate visitors to come and stay longer. Specific transportation challenges include limited airport and air access, BC Ferries schedule as it relates to the Inside Passage route and minimal amount of transportation providers to bring visitors to the North Island.
- Labour market challenges limit industry growth (i.e.: shortage of qualified local labour force, quality of service provided to the visitor, lack of educational opportunities for locals, etc.).
- Limited awareness of the value and importance of tourism.
- Level of customer service.
- Access to quality wilderness recreation sites and backcountry attractions.
- Perception of inclement weather.
- Minimal off-season product, absence of clearly defined, marketable winter product (lack of awareness, packaging and marketing of the product that exists).
- Seasonality of accommodation demand.
- Tourism businesses are not collaborating in marketing efforts.
- Provincial AHRT issues: collection process, administration charges.
- Maintaining and strengthening a sustainable funding model for regional tourism.

- Scope of VINTAC regarding tourism development.
- Measurement of the impact of specific campaigns.

### *OPPORTUNITIES*

- Provide stakeholder education on the value of participating in quality assurance programs such as Tourism BC Approved, Canada Select or BCAA rating programs.
- Market new nature-based product such as the new North Coast Trail, the BC Marine Trail and other emerging trail systems.
- Market cultural-based product such as the Vancouver Island North First Nation experiences and the Quatse River Hatchery Interpretive Centre.
- Work with Tourism Vancouver Island and Tourism BC through travel trade and media opportunities to reach key overseas markets such as Germany and the UK.
- Support packaging product to encourage a longer length of stay.
- Utilize affordable advertising mediums such as social media and travel blogs.
- Diverse range of product offerings (i.e.: beaches, culture, hiking, etc.).
- Create compelling messages to motivate consumers.
- Packaging of existing products.
- Partnerships with the North Island Gazette and local Chambers of Commerce to provide value-added coupons to encourage visitors to visit local businesses.
- Improve coordination and communication of events, which will aid in extending the season.
- Improve, communicate and extend the First Nations product offerings.
- Promote the quality of the highway and ease of travel to the destination.
- Utilize North Island College to provide training for locals.
- Leverage awareness of local surfing opportunities from the O’Neill Cold Water Classic currently held annually in Tofino.
- Attract new carriers to the Port Hardy airport.
- Extend the time spend in the region by pocket cruise travelers.
- Increase awareness of unique fishing opportunities (i.e.: from kayaks).
- Assist operators in becoming export-ready.
- Raise awareness of the region as a safe travel destination.
- Air access with Pacific Coastal Airlines
- Yacht and pocket cruise sectors
- Use of contests to build repeat traffic to the VINT website and social media channels
- Social media
- Development of a mobile app
- Explore research opportunities through partnership with VIU
- Industrial heritage protection and promotion for tourism purposes
- Mount Cain master plan for creating a four-season recreation area

### *POINTS OF DIFFERENCE*

Vancouver Island North offers many features that, as a whole, are unique to the region and create compelling calling cards for attracting visitors. The Vancouver Island North Tourism Advisory Committee identified the following points of difference:

- Authentic experience
- Pristine scenery and nature, vastness
- Diversity and proximity to wildlife
- Outdoor adventure mecca

- Cross-roads of adventure, wilderness and First Nations culture
- RV sites
- Secluded beaches
- Easy beach access
- Secluded storm watching
- Relaxed pace
- Rustic charm
- Friendly people
- No traffic, no crowds
- Wilderness camping
- First Nations culture
- Fishing, best on the Island (bottom fishing, wild salmon, steelhead, fly fishing)
- Birding
- Increased market awareness of Great Bear Rainforest and Broughton Archipelago
- Air, water and land access
- Diversity of marine based opportunities (marine highway)
- Marine conditions off the east side of the Island are often calm, no swell for boaters
- Island Highway: scenic drive, use corridors, good driving conditions year-round
- Karst features
- Variety of hiking opportunities
- Clean air, water and wilderness

## BUDGET

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The budget for Vancouver Island North Tourism is based on funds available through hotel room tax, investment from the Regional District of Mount Waddington, investment from the private sector and other sources that may be found during the year and referenced in the agreement between the Regional District of Mount Waddington and Tourism Vancouver Island.