

# **Assessment of the Toront03 Alliance's Tourism Recovery Efforts**

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Prepared for the Toront03 Alliance's Board of Directors and Industry Canada  
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## PREFACE

We are very pleased to report on some very positive findings from the assessment of the Toronto03 Alliance's (T03) tourism recovery efforts. T03 was formed in June 2003 to help revitalize tourism in the Toronto region post-SARS. T03 was funded by the federal government in the form of a \$10 million contribution and \$1.2 million in cash donations from the private sector including \$200 thousand from each of the five major banks. Additional in-kind support was received from many companies. We worked in partnership on various initiatives with one or more of the City of Toronto, Tourism Toronto, the province's Ministry of Tourism, Ontario Tourism Marketing Partnership (OTMP) and private sector partners, focusing our efforts primarily on US border states. The primary purpose of this assessment is to provide our Board, Industry Canada and our other contributors with a detailed review of the impact of their investments.

The province of Ontario recently assessed its tourism recovery efforts which included programs it partnered on with T03 ('Ontario's Tourism Recovery Program: Measuring the Benefits' by PKF Consulting, April 2004). They reported that:

- The Toronto region lost some \$292 million in visitor spending between July 2003 and March 2004. PKF estimated that the loss would have been \$577 million without the investment of the province, T03, and others in tourism recovery efforts – ***“Therefore, the total recovered visitor spend attributed to The Tourism Recovery Program was \$285 million.”***
- PKF estimated that every dollar invested in tourism recovery over that period generated \$11.00 in tourism spending in Ontario and \$7.86 in the GTA because *“Toronto as the epicentre of the SARS crisis had a much more difficult “sell” and as such required more Tourism Recovery Funds”*. Using the lower figure, we calculated that **T03's investment alone generated roughly \$70 million in visitor spending.**

Our own assessment provides ample evidence that T03's efforts made a direct impact on drawing US visitors to Toronto and contributed to the recovery of hotel occupancy and tourism expenditures to pre-SARS levels. Highlights follow:

- T03 was the only organization that invested significantly in advertising and promoting the Toronto region in the US over the summer and fall of 2003, and winter of 2004. The activities it supported made a direct impact in drawing almost 100 thousand US visitors to the Toronto region over that period.
- T03's efforts also made well over 100 million potential US tourists aware of the Toronto region and its attractions through strategic PR efforts that accompanied all of the activities it created or supported and its Web site. According to Bruce Macmillan, President and CEO of Tourism Toronto *“T03's Web site was an outstanding Web site that sets a new standard for Toronto tourism industry sites.”*
- We supported more than a dozen events and attractions; some existing and some new that we or others created. Existing events that we helped to support ranged from the CNE to Caribana to the Royal Agricultural Winter Fair to First Night. New events that we helped

to support included the Stones concert, an Ambassador program designed to involve residents in tourism recovery, and bringing 'Late Night with Conan O'Brien' to Toronto. Our detailed review by activity indicated that many of the activities that we supported were successful at drawing US tourists directly, while others had less immediate impact but still created a legacy for the future. Two examples from T03's activity assessment follow:

- T03 supported 'Molson Canadian Rocks for Toronto with the Rolling Stones' with an investment in print, television and radio advertising last June in large and medium-sized US markets. T03's investment supplemented that of Molson, all three levels of government, and various retail partners. T03's role was the US advertising for the concert which attracted 42 thousand US ticket buyers and contributed to the immense PR value delivered outside Canada. All of which helped achieve the primary goal of showing the world that *"Toronto is safe to visit, fun, and indeed open for business."*
- T03 conceived and supported 'Kids Summer Road Trip' a promotion that brought together thirteen family oriented events and attractions in Toronto and surrounding regions last August and September for the first time. The promotion provided incentives to visitors in the form of value travel packages and 'kids under twelve get in free' coupons to participating events and attractions. While not as successful as we hoped in drawing visitors directly, Kids Road Trip generated significant awareness which participants believed would help them in 2004. Most said they would participate again and the OTMP is repeating the promotion this year as part of its 'Due North Do Toronto Campaign.'

We developed a keen understanding of the challenges in tourism recovery over the course of our mandate. Toronto faced greater challenges than other cities as we had been losing share of the tourist market for some time pre-SARS. This was partly due to lack of a clear brand identity that is essential to provide tourists and business travelers with compelling reasons to come here. We are very grateful that Industry Canada and our other funders provided the funds to initiate the recovery of tourism in the region. We are also optimistic that a stronger brand identity combined with adequate investment in marketing will ensure sustained recovery for tourism in the region. Finally, we thank our funders for donating the remainder of our unspent funding to the Hospitality Worker's Emergency Relief Fund.

Yours truly

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Chair, Toront03 Alliance

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CEO, Toront03 Alliance

## TABLE OF CONTENTS

	Page
<b>Introduction &amp; Background</b>	<b>1</b>
<b>Overview of Toront03's Impact</b>	<b>3</b>
<b>Review By Activity</b>	<b>4</b>
• <b>Molson Canadian Rocks With The Rolling Stones</b>	
• <b>Major Existing Summer Events</b>	
• <b>Kids Summer Road Trip</b>	
• <b>Fall Entertainment Package</b>	
• <b>Ambassador Program and Stanley Cup Homecoming Promotion</b>	
• <b>Royal Agricultural Winter Fair</b>	
• <b>First Night Festival</b>	
• <b>Late Night With Conan O'Brien In Toronto</b>	
• <b>Hot Docs and World Wide Short Film Festivals</b>	
<b>Lessons Learned</b>	<b>10</b>
<b>Appendices</b>	
<b>I. Toront03's Spending by Activity</b>	<b>I-1</b>
<b>II. Toronto's 'Ambassadors'</b>	<b>II-1</b>
<b>III. Toront03's Board Members and Management Team</b>	<b>III-1</b>

## INTRODUCTION

This report provides a review of the impact of the Toront03 Alliance's (T03) activities on bringing US tourists back to Toronto post-SARS. It builds on the interim review that was released on December 5, 2003 by incorporating quantitative and qualitative data from participants and suppliers who were involved in activities that have taken place since December 2003. The contents include: background on T03's genesis and objectives; an overview of T03's impact on tourism recovery; reviews of specific activities; and lessons learned from the experience that could strengthen future initiatives to promote the Toronto region as a tourist destination.

## BACKGROUND

The T03 Alliance was formed in June 2003 to help revitalize the tourism industry in Toronto and surrounding regions (e.g. Niagara, Stratford, and Muskoka) post-SARS. Its efforts were focused primarily in US border states, complementing the efforts of the City of Toronto and Tourism Toronto working with the province's Ministry of Tourism and Ontario Tourism Marketing Partnership (OTMP). The City of Toronto focused its efforts on City residents, while the province focused mainly on the rest of Ontario and Canada. T03's efforts were funded by the federal government in the form of a \$10 million contribution and \$1.2 million in cash donations from the private sector including \$200 thousand from each of the five major banks. (See Exhibit I.) In addition there were significant private sector in-kind donations such as The Boston Consulting Group's donation of all the office space, computers, telephone, and office supplies for Toront03; Gowling, Lafleur, Henderson's donation of legal services; and KPMG's donation of accounting services.

T03 and its sponsors believed strongly that it was critical to be in the US as fast as possible with strong event-based promotions after the World Health Organization (WHO) removed Canada from its SARS-affected area list, because:

- Tourism is important to the Toronto region's economy, historically bringing in revenues of \$4 billion annually and providing residents with some 95 thousand direct jobs.<sup>1</sup> US leisure travel has typically

### Exhibit I: T03's Revenue Components

Funders	Donations (\$000)
Federal Government	\$10,000
BMO Financial Group	200
Canadian Imperial Bank of Commerce	200
Scotia Bank Group	200
TD Financial Group	200
RBC Financial Group	200
Sears Canada	119
Holt Renfrew	100
Interest	54
<b>Total Revenue</b>	<b>\$11,273</b>

- accounted for one-third of Toronto's tourism revenue with the majority of spending by residents of US border states.<sup>2</sup>
- Strong promotion was essential to help mitigate the impact of SARS that, on top of the Iraq war and weak economic conditions, resulted in Toronto losing \$529 million in tourism expenditures between March 2<sup>nd</sup> (first reported SARS death) and end-December.<sup>3</sup> This was in addition to a loss of some \$650 million in potential annual tourism expenditures since 1996 due to Toronto's long-term decline in tourism market share relative to other major NA city regions – making re-investment even more critical.
- Surrounding regions had also experienced significant tourism declines and were in need of strong promotional support, e.g. KPMG reported

<sup>1</sup> Cameron Hawkin's Tourism Investment Study, December 2001

<sup>2</sup> Toronto Convention and Visitors Association's US Key Facts, July 2003

<sup>3</sup> KPMG's Tourism Expenditure Monitors from March 2<sup>nd</sup> to end-December, 2003 versus the prior year. KPMG ceased publishing the Monitor at the end of December because it judged that recovery was underway.

that tourism spending in Niagara was down \$164 million, or -26% from March 2<sup>nd</sup> to end-December 2003 versus 2002; Muskoka Tourism reported traffic declines of -23% over the summer of 2003.

- A number of conventions were cancelled and convention planners were reportedly taking the Toronto region off their lists for 2004/05, making it even more important to get positive messages out to the market fast.
- The Ontario Ministry of Tourism suspended plans to advertise in the US because its research indicated that US tourists were unlikely to visit, primarily because of SARS. The experience of the Molson Indy in early July 2003 indicated that American concerns could be overcome as the Indy drew 167 thousand people from all over the world – a decline of only -1% versus 2002. The Indy's experience, which pre-dated T03's campaign launch, clearly demonstrated that focused event-driven promotion could overcome negative attitudes.
- Investment in tourism advertising and promotion typically pays out over three to four years, according to tourism experts, making immediate and sustained investment important not just for 2003, but also to longer-term recovery.

T03's objectives were to:

- Shift consumer and media's perceptions of Toronto from being viewed as an unsafe, fearful place to one that is believed to be vital, entertaining, safe, and affordable.
- Provide strong incentives for leisure travelers to come to Toronto over the summer, fall and early winter and build awareness to help stimulate tourism in 2004 and beyond.
- Develop an image for the Toronto region that would encompass T03's activities and serve as a foundation for a sustained effort to improve Toronto's image over the longer term.

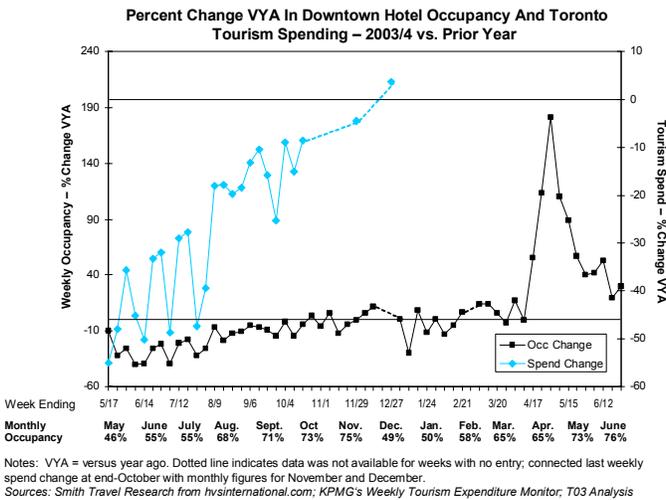
T03 delivered on its objectives through an integrated communications and promotion campaign composed of:

- Event-driven advertising, direct marketing, and PR focused on the north-eastern and north-central US markets most predisposed to visit Toronto. Integrated promotions supported both existing attractions and events and a few new events created to fill in the schedule. Celebrities were used to help increase communications impact.
- Affordable hotel and travel packages, accessible on T03's Web site, made it attractive and easy for tourists to come to the Toronto region and sample the many things it has to offer.
- A theme: 'Summer in the City', supported the events, attractions and packages in the summer and early fall, and helped to create an image of the Toronto region as a fun, exciting and accessible place to visit.

## **OVERVIEW OF T03's IMPACT**

T03 made a direct impact in selling tickets and packages that drew 100 thousand US visitors to Toronto over the summer, fall and winter. More importantly, it made over 100 million potential US tourists aware of the Toronto region and its attractions, as demonstrated below and in the following review by activity. Some of those tourists have come to Toronto already and many others have Toronto on their consideration list for 2004 and beyond.

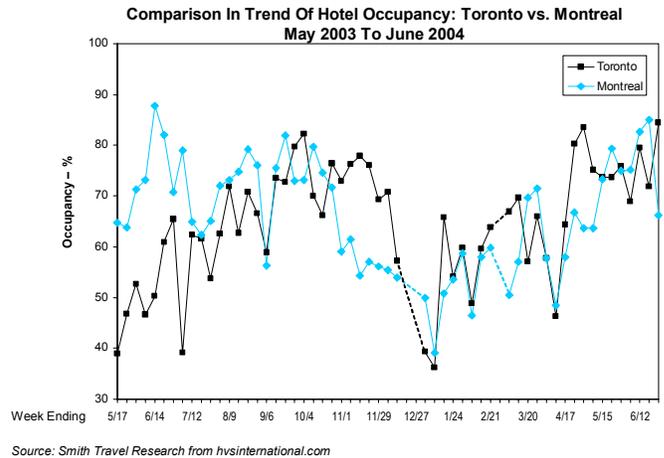
**Exhibit II: Hotel Occupancy And Tourism Expenditures Now Above Pre-SARS Levels**



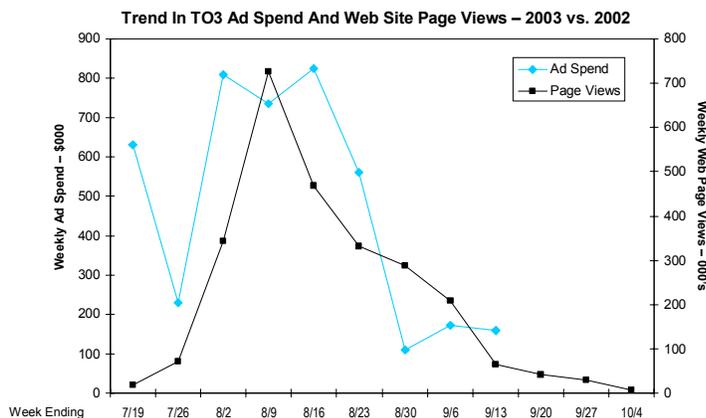
- T03 is the only organization that invested significantly in advertising and promoting the Toronto region in the US over the summer, fall and early winter.** The activities that T03 supported (e.g.: Stones concert, 'Kids Road Trip', 'Fall Entertainment Package') have directly sold packages bringing almost 100 thousand US tourists to the region. T03's activities clearly contributed to the upward trend in hotel occupancy and tourism expenditure beginning in late summer and continuing through the fall and winter. As Exhibit II shows occupancy has been well above year ago since March 2004 – a vast improvement over the roughly -30% declines in summer 2003 versus 2002. Toronto's upward trajectory has out-paced other major Canadian centres (e.g.: see Exhibit III for trend in hotel occupancy versus Montreal)

- T03's Web site was visited by more than 250 thousand people between its mid-July 2003 launch and its shut-down in late 2003.** It averaged some 20 thousand visitors per week, each of whom typically viewed 15-to-25 pages, resulting in 400 thousand page views per week – very strong performance relative to other city tourism-related sites, particularly for a site that was up for a relatively short time. As Exhibit IV shows, Web page viewership closely tracked ad spending indicating that the large numbers of people who visited the site were drawn by T03's advertising. As reported above, a number of those people bought T03's packages. Many of the other visitors to the site likely booked their trips with other providers or intend to come at a later date.

**Exhibit III: Toronto Occupancy Was Well Down Versus Montreal But Gap Has Closed**



**Exhibit IV: Web Page Views Driven By Ad Spend**



- T03's strategic PR efforts supported all of its event-driven, travel-focused activities generating broad-based media coverage in Canada and the US.** T03's Canadian PR efforts generated multiple mentions in major national and regional papers. US media also picked up on the Toronto region's story and, with the help of a very capable US media relations agency, T03's PR efforts led to Toronto being featured on travel-related Web sites, and in community newspapers and major dailies across the US – including a multi-page feature travel story in USA Today on September 19<sup>th</sup> that reached 2.5 million people.

**Exhibit V: T03 Media Impressions  
As Of November 21, 2003**

	Mentions	Impressions (000's)
Toronto Star	13	5,850
Globe & Mail	12	3,888
National Post	2	510
Other Canadian	26	2,393
<b>Total Canadian Print</b>	<b>53</b>	<b>12,641</b>
USA Today	1	2,500
Washington Post	2	2,099
New York Daily News	2	1,411
Pittsburgh Post	3	737
Detroit Free Press	2	779
San Jose Mercury	2	554
Other US	12	4,326
<b>Total US Print</b>	<b>24</b>	<b>12,404</b>
<b>Total Print</b>	<b>77</b>	<b>25,045</b>
<b>Total Impressions (Print &amp; Online)</b>		<b>100,763</b>

As of November 21<sup>st</sup> 2003, PR efforts had generated more than 100 million impressions. (See Exhibit V for more detail on media mentions and impressions). Activities since November 2003 have generated additional impressions for which data is provided in the review by activity below, if available. In addition T03 invested a small sum (\$3.5 thousand) with NewsUSA, an organization that specializes in getting short non-dated stories (500 to 600 words) placed in community newspapers. They placed an article titled “Toronto’s Resurgence Draws US Tourists” in 84 papers between November 2003 and July 2004. The ad value of the placements to date was just over \$25 thousand (\$US) and they expect to generate more placements over the next few months.

T03 has left a legacy, beyond residual awareness in the US market, in the form of:

- **Its Web site** that, according to Bruce MacMillan, President and CEO of Tourism Toronto, was “*an outstanding Web site with very rich content that sets a new benchmark for Toronto tourism industry sites.*” The site was turned over to Tourism Toronto when T03’s mandate was completed to be consolidated into their Web site.
- **Unprecedented new promotions such as ‘Kids Road Trip’** that demonstrated the benefits of packaging and branding multiple attractions to significantly increase the impact of marketing and PR investment. Kids Road Trip is a prime candidate for renewed focus in summer 2004 as the creative (e.g. ads, play books) can be re-used offering the advantages of building on awareness generated in 2003 while amortizing development costs. The promotion is being repeated in 2004 with the support of the OTMP as part of its ‘Due North Do Toronto Campaign.’
- **Relationships with US PR experts, journalists and columnists, and travel-oriented Web sites who were impressed by T03’s outreach to the US market** over the summer, fall and winter. The relationships that T03 developed and fostered could be leveraged by future efforts to promote Toronto and surrounding regions as tourist destinations.
- **The Government of Canada** received recognition in all PR efforts of T03 and all media funded by T03.

**REVIEW BY ACTIVITY**

T03’s integrated advertising, direct marketing and PR campaigns have supported a number of activities, a few of which are still in process. Exhibit VI provides the criteria that were used to select the activities for investment and Appendix I provides investment by activity. Below, we briefly describe each activity and review its impact relative to expectations.

- **T03 supported the July 30<sup>th</sup> ‘Molson Canadian Rocks for Toronto with the Rolling Stones Concert’** with an investment in print and radio in June in large US markets (Boston, Chicago, Detroit, New York) and medium-sized US markets (Albany, Buffalo, Cleveland, Syracuse, Rochester). The Stones concert was also featured in T03’s direct response TV, website and newspaper campaign in July (see next bullet point).

**Exhibit VI: Criteria for Activity Selection**

Criteria
1. Potential to attract tourists, particularly from US
2. Event-based ad. and promo. opportunity, not operating grant
3. Builds on or is synergistic with existing events...
4. Or, fills a gap in the summer, fall or early winter schedule
5. Can be packaged with travel and hotel for added incentive
6. Potential to generate significant PR value
7. Potential for shared business risk through govt. matching...
8. Or, through private sector sponsorships
9. Cost effective
10. Supported by a solid business or marketing plan
11. Have agreed to provide audited reports and financials
12. Agreed to reimburse unused funds or T03 controlled spend
13. Have committed to provide results for T03 assessment

T03's investment supplemented that of the primary sponsors: Molson Canada in partnership with three levels of government (Federal, Provincial, Municipal), and other corporate partners: A&P and Dominion Stores; Bombardier; and various key retail partners (Fuji Film, Pizza Pizza, Nestle, Rogers Communications, Telus Communication, Bell Canada, and Kerry's Convenience Stores).

T03's US advertising enabled the concert to attract 42 thousand US ticket buyers who were major contributors to the \$75.2 million additional tourism spending on hotels, restaurants and travel that Moneris Solutions reported for the week of the concert versus the previous week. Molson released its post-assessment summary on October 28<sup>th</sup>, 2003. Highlights of the economic impact of the concert included:

- Final attendance of 495 thousand
- Hotel occupancy over 90% on July 30<sup>th</sup>, according to Smith Travel Research
- A \$90 million boost in Ontario's economic activity, \$72.6 million of which went to Greater Toronto according to the Toronto Convention & Visitors Association
- Total taxes generated for all levels of government – attributed to attendance, operating expenditures and associated economic impacts, was \$19.4 million
- Significant contributions to charity: \$250 thousand by Molson to each of the Molson Hospitality Worker's Relief Fund and the Ontario Ministry of Health's scholarship for healthcare workers wishing to upgrade their training in the area of infectious disease; \$50 thousand by Sovereign Insurance.

This event performed strongly against T03's criteria, particularly in terms of immediate impact on tourism and the immense PR value it delivered. Molson's assessment emphasized the achievement of the primary goal of showing the world that "*Toronto is safe to visit, fun, and most importantly that it was indeed open for business*". International coverage of the concert exceeded one billion PR impressions, and the Web cast drew 250 thousand viewers worldwide. Molson assessed the PR that T03 realized to be worth approximately \$12.5 million in media value. Overall, the concert generated an estimated total tangible and intangible media value of \$16.4 million, which represented a remarkable return on T03's investment of \$2.2 million.

- **T03 supported major existing events: the CNE, Caribana, and the Toronto International Film Festival (TIFF), along with the Stones concert** (above), with a direct response campaign in print and TV for three weeks in July. This campaign filled a key gap in the summer schedule following the Stones concert. The CNE is discussed below under Kids Road Trip. Results for Caribana and TIFF follow:
  - Caribana's attendance for their Saturday parade was 600 thousand, down from the usual one million, and 3.5 thousand for Sunday's events, down from the usual 10 thousand. Organizers were reportedly pleased that their numbers held up this well given the very heavy rain on both days. Organizer's survey of the attendees indicated that approximately half were from outside the region
  - TIFF doesn't release attendance figures but told us that its audience grew +6% overall in 2003 versus 2002, making it the second major event in the region that was up versus prior year. Attendance growth was similar for both local fans and tourists. In addition to fans, attendance by celebrities and industry representatives was reportedly strong – a good sign that the region is perceived to have overcome SARS as important buyers didn't attend festivals held earlier last summer.
- **T03 conceived and supported 'Kids Summer Road Trip', a promotion that brought together thirteen family-oriented attractions and events in Toronto and surrounding regions in August and September.** T03's objectives were to position the Toronto region as a family destination, create awareness of regional family-oriented events and attractions, and help incent families to visit by offering convenient value travel packages. The promotion featured 'kids under 12 get in free' coupons to participating events and attractions in August and September. Participants included: African Lion Safari; Art Gallery of Ontario; CNE; CN Tower; Casa Loma; Centreville; Ontario Place; Ontario Science Centre;

Paramount's Canada's Wonderland; Santa's Village; Toronto Zoo; The Docks; and The Royal Ontario Museum. T03's investment in advertising and promoting Road Trip represented a number of 'firsts':

- The first combined promotional effort by the region's family-oriented events and attractions
- The first attempt to market the Toronto region as a family destination
- The first time that a number of the participants had advertised in the US.

We asked participants and suppliers for information on Road Trip's performance versus objectives. Ten of the thirteen participants responded to our request. While direct coupon redemptions were lower than expected, most anticipated significant future benefits from the awareness generated and would participate again in summer of 2004. Highlights of their quantitative feedback included:

- Some experienced a lift in attendance in August/September versus June/July, which Road Trip likely contributed to, although sales of travel packages and coupon redemptions were lower than hoped for, at 317 and 512 respectively.
- Several felt that Road Trip drew more US visitors than coupon redemption indicated as a number of tourists mentioned seeing the Road Trip ads but couldn't take advantage of the coupon book as they weren't staying in hotels
- Awareness of the promotion was much higher than redemptions as evidenced by the almost 13 thousand people that visited the Road Trip page on T03's Web site, more than 10 thousand of which clicked through to the participants' pages on T03's site. The three participants who could track it reported that 25% to 60% of visitors to their page on T03's site clicked through to their sites.

Participants indicated that a number of uncontrollable factors contributed to lower than hoped for response including: the electricity black-out in the middle of the campaign which affected some events for as long as a week and took ads off the air in the US; being forced to go to market late after many family vacations were booked (i.e. post the WHO lifting its SARS warning); lower than expected media weight as the Ontario government did not fund 50% of the media buy as T03 had proposed and hoped; and exceptionally bad weekend weather.

Finally, as indicated above, most participants are very hopeful that the awareness generated would help them in 2004 and would participate again if given the chance, as the following comments indicated –

- *"We were happy to participate in this program – specifically targeting the US market. Happy with the quality of the program and the profile it afforded. The creative was excellent"* (African Lion Safari)
- *"Your campaign was the first time that our visual has seen significant exposure in US Border States and for that we are very grateful. Even though redemption numbers were low it was very important for Toronto to be in those markets in some way as quickly as possible to salvage some of the summer season"* (Casa Loma)
- *"We would definitely continue with Road Trip as we are in a vicious circle in terms of US advertising and attendance. We don't get many US visitors so we can't afford to allocate our limited resources to the US, and by not advertising there we don't get US visitors. Reaching the US market through Kids Road Trip helps us break this cycle"* (Ontario Place)
- *"Road Trip 2003 was building recognition for Toronto as a great place to visit in 2004. We have our fingers crossed"* (Ontario Science Centre)
- *"In as much as the numbers weren't huge we believe that the piece that was produced was of such good quality that the impressions made will last into our coming seasons. I believe that the top of mind awareness created by this will outlive coupon redemptions, and feel strongly that the importance of this not be under-stated when evaluating this promotion"* (Santa's Village and Sportland)

- **T03 partnered with the OTMP to support the ‘Fall Entertainment Package’** that featured tickets to Mirvish Productions’ Mama Mia or The Lion King along with a two-night hotel stay, three-course meals in one of 22 restaurants, and admission to an additional attraction. Other participants in the promotion included:
  - Seven luxury hotels: the Delta Chelsea, Fairmont Royal York, Hilton Toronto, Holiday Inn On King, Sheraton Centre Toronto, The Sutton Place Hotel, The Westin Harbour Castle
  - Five Attractions: the Art Gallery of Ontario, the Blue Jays and later the Raptors, the CN Tower, Toronto City Bus Tours, and the Toronto Zoo
  - Two events that were featured in the ads – The Toronto International Film Festival and Holt Renfrew’s ‘Flick’ promotion.

T03’s role was to advertise and promote the package in the US in newspapers and radio in Buffalo, Rochester, Syracuse, and Cleveland. T03’s funding also supported a newspaper advertising campaign in Ontario, primarily outside of the GTA. T03 invested in this activity because it met all of its criteria, and had high likelihood of success as a similar package had already proven to be successful at drawing tourists in an earlier execution that the OTMP funded.

The offer was originally intended to run from September 10 to November 10, 2003 but was extended until January 2004 because of strong results. Sales of 45 thousand packages by the end of October were more than 50% higher than Mirvish Production’s original projection, with over one-third bought by US tourists. T03 participated in the extended advertising support behind the promotion that ran through October and early November. Extended support produced sales of an additional 23 thousand packages, 28% of which were purchased by US tourists. As of early January, the promotion had generated almost \$30 million in direct sales revenue for Mirvish Productions and the participating hotels, restaurants and attractions plus many millions more from tourist expenditures in the Toronto region. As with other T03 activities, this campaign generated significant awareness, driving over 50 thousand visitors to the theatre package page on T03’s Web site. Mirvish has continued to repeat this successful event in 2004.

- **T03 launched two inter-related activities in October: an ‘Ambassador Program’ and a ‘Stanley Cup Homecoming Promotion’** in which the Stanley Cup became an Ambassador for Toronto. These activities were selected because they offered a low cost opportunity to stimulate civic pride, and promote Toronto through word of mouth as well as through leveraging a high profile event. Descriptions of the two activities and results follow:
  - **T03 worked with Thin Data on an Ambassador Program**, which was a grass roots e-mail promotional campaign designed to foster civic pride and involve residents in the tourism recovery effort. It began with a ‘soft launch’ on September 1st in which visitors to T03’s Web site were encouraged to become ‘Ambassadors for Toronto’ and send electronic postcards inviting five friends or family members outside of the GTA to visit Toronto.

The Ambassador Program was officially launched at an event at Second City on October 7th that was well attended by media, stakeholders, and supporters of the T03 Alliance, as well as celebrity Ambassadors who demonstrated how to become an Ambassador for Toronto. (See Appendix II for the list of celebrity Ambassadors). Sympatico supported the launch event and provided prizes for a contest designed to incent Torontonians to become Ambassadors. After the official launch, Ambassadors were recruited via:

- A two-week radio campaign in October. The radio ad provided added incentive to participate in the form of a contest to win one of five Sympatico high speed service packages for a year
- The city-wide postcard promotion to subscribers of four major newspapers in the GTA, week of October 13<sup>th</sup>, inviting them to become Ambassadors for Toronto
- A video featuring celebrity Ambassadors that promoted the program on T03, Tourism Toronto, and Sympatico’s Web sites. The featured celebrities included local personalities

such as anchorman Gord Martineau, comedian Colin Mochrie, and Olympic athlete Curt Harnett

- Thirty second Public Service Announcements, using condensed segments of the video that were distributed for broadcast by City TV, CTV, Global, and CBC
- A live television appearance on Canada AM during their cross-country tour in early November featuring high-profile Ambassadors: actor Gordon Pinsent, singer Deborah Cox, and Canada AM host, Seamus O'Reagan, who promoted the Ambassador Program and discussed its importance to Toronto's post-SARS recovery
- The Ambassador program was the subject of a feature story in the New York Times and detailed in other print media.

The program attracted over 1000 Ambassadors who sent more than 5000 electronic postcards. More importantly, the advertising and promotion campaign generated significant awareness, reaching almost two million adults in the GTA about six times each. Sympatico's Web site delivered an additional eight million impressions.

- **T03 worked in concert with the NHL on its Stanley Cup Homecoming Event** to generate additional exposure for the Ambassador Program in Toronto, and for Toronto in New York. The NHL promoted Toronto during a two week radio campaign in the New York area announcing the Stanley Cup's return home to Toronto. It offered three trips for New Yorkers to escort the Cup home to Toronto, including accommodation, hotel and attractions. T03 promoted the return as a media event at Union Station on October 9th, where it positioned the Stanley Cup as one of the greatest Ambassadors for Toronto. Ambassador buttons and postcards were distributed at Union Station and along the parade route to the Hockey Hall of Fame. The Stanley Cup Homecoming Event received blanket coverage by all major media – broadcast, print and radio.
- **T03 and the OTMP supported the Royal Agricultural Winter Fair**, an event that took place in November when no other major events were happening in the region. Investing in the Royal Agricultural Winter Fair presented an opportunity to package and extend the reach of an existing event that had the potential to attract US and international visitors. T03 supported the Royal Agricultural Winter Fair in the following ways:
  - Funding a radio and print campaign targeting US border cities and Canadian cities outside the GTA
  - Funding production of a TV show airing on TSN nationally, plus Web support on TSN.ca as part of the advertising campaign. The TV show represents a legacy as TSN can re-broadcast it to fill holes in their schedule
  - Funding media relations support
  - Promoting 'The Royal Experience' on its Web site: a travel and hotel package that provided additional incentive for US tourists to come to the Fair. According to Tourism Toronto over 300 hotel nights were purchased through the Royal Experience package.

The Royal Agricultural Winter Fair was projecting a decline in attendance as opposed to its typical 12 percent growth. It did experience a small decline of minus 2.4 percent in visits- from 340 thousand in 2002 to 332 thousand in 2003, but visitors from the US increased to 5% in 2003 from 2% in 2002, and visitors from outside the GTA increased to 54% in 2003 from 51% in 2002. The Royal Agricultural Winter Fair attributed the increases in non-resident visitors to T03's investment and reported that the Toronto Royal Experience package performed well.

- **T03 and the OTMP matched funds in support of 'First Night', a three-day family oriented celebration of arts, culture and education** that ran from December 29th to 31st. 'First Night 2003' represented an expansion of the traditional First Night celebrations that have taken place on New Years' Eve in Toronto and other NA cities for many years. T03's investment helped fund a packaging incentive to attract people to Toronto's downtown entertainment district during the off-season for tourism. The 'Toronto Awaits' newspaper insert campaign went to 750 thousand households in South-western Ontario,

Buffalo and Rochester to promote the festival and to incent people to attend by taking advantage of a Marriott Hotel sponsored 'First Night Toronto Family Getaway Package'. This was the first time the festival had been marketed in the US.

The producers of First Night believe that increased marketing support was responsible for strong 2003 results including increased attendance. Highlights of First Night's final report included:

- Featured 613 artists, 254 performances and four exhibits from four Canadian provinces, representing 14 cultures and five First Nations
- 61% increase in paid attendance versus 2002 to almost 13 thousand tickets; total attendance of 23 thousand
- 41% increase in revenue to \$140 thousand
- 58% of patrons from outside the GTA said that First Night was the reason they came to Toronto.
- 91% of patrons said they would attend again
- PR and media collateral value of over \$2 million.

T03's investment contributed to growth in ticket sales, of which 15% came from outside Toronto. While package sales were small (74 packages) Marriott reported almost 900 inquiries that, combined with the strong marketing and PR value, will likely result in future visits during the tourist season.

- **T03 partnered with Ontario, CHUM, the Toronto Sun, Labatt's Blue, Cineplex Odeon, NBC and Jetsgo to bring 'Late Night With Conan O'Brien' to Toronto** in February 2004 for four days (February 10 to 13). It was the first time a late night talk show was broadcast from a Canadian city. The objectives of this activity were to build profile for Toronto, Ontario and Canada, and to showcase Toronto as vibrant, healthy place. T03 and partners offered additional incentives to potential visitors in the form of a weekend travel package and several contests, including an OTMP promotion in Buffalo and Rochester that brought 200 winners to Toronto.

Over the four nights a total of 10.8 million US television viewers watched the show which featured prominent Toronto sites and Canadian celebrities- effectively an hour long commercial for Toronto according to numerous newspaper articles. The cost of a 30 second spot on the show was \$33 thousand (\$Cdn) making the value of the time Toronto was featured worth roughly \$20 million dollars. Other indications that this activity delivered on its objectives were:

- Newspaper and print advertising locally and across Canada generated roughly 7 million impressions for a promotional value of \$1.3 million, versus a cost of \$130 thousand plus contra for in kind services including airfare and hotels for contest winners and tickets to the show
  - According to Nielsen Media Research the debut show drew more than 600 thousand Canadian viewers, 12 times its normal audience
  - During the week the show aired sales of the extended Fall Entertainment Package increased 67%
  - US media coverage included more than 160 articles in major publications such as the New York Times and Boston Globe. Total circulation of the major publications that picked up the story was over 23 million. CNN, FOX, and NBC affiliates also covered the story.
  - Conan audience numbers were up sharply in the US, for example Conan's Buffalo viewers were up by 50% to 22,000 over previous weeks.
- **T03 supported two film festivals– Hot Docs (documentary film festival), and the Canadian Film Centre's World Wide Short Film Festival (WWSFF).** Neither festival had the resources of its larger counterparts (e.g. TIFF) but both historically drew significantly from within and outside Canada, e.g.:
    - Attracted almost 50 thousand public attendees
    - Received over 3300 submissions and draw almost 1500 delegates from around the world
    - Facilitated over \$3 million in international co-financing and prizes.

Unfortunately Hot Docs opened two days after the WHO travel advisory in spring 2003 and WWSFF opened a month later. All of Hot Docs international buyers cancelled. WWSFF went from a projected increase in international attendance of +20% to a -50% decline. Cancellations resulted in almost one million dollars in lost revenue to the travel and hospitality industries.

T03's money was invested in implementation of intensive international media, public relations, and Web-based campaigns to help each of the festivals achieve its objective of recapturing and growing audience and industry delegates. Hot Docs also developed a special hotel package with Marriott Courtyard Hotels to incent out-of-town public attendees to stay several days and see more films. Both festivals reported results that far exceeded the objectives in the marketing plan they submitted as part of their funding proposal.

**Hot Docs** credited T03's contribution with helping it achieve strong media coverage (261 media representatives, up 43% versus 2003) and Web traffic (up 61%, 91%, and 191% over the three months leading up to the festival). Added support helped to:

- Increase advance ticket sales by 300%
- Increase box office revenue by 25%, and total earned revenue by 46%
- Increase screening attendance (25 screenings sold out versus 8 in 2003)
- Increase number of delegates to 1567, up 20%
- Recapture business for filmmakers and broadcasters with 180 documentary buyers, leading broadcasters, and programmers and acquisition executives from 14 countries participating.

**WWSFF's** marketing activities strengthened ties with international media, generating nearly 285 thousand print ad impressions promoting the Festival in international magazines and Festival program books, as well as nearly 1.5 million hits on three key international Web sites. It also invested in forging and sustaining new relationships with some 1500 international industry players. Marketing helped to:

- Grow international audience by 65% versus their +20% objective
- Grow total audience by 19% to 12 thousand versus their +30% objective. (This was the only measure that fell short of objectives)
- Grow number of delegates by 20 percent to 211 versus their 150 objective
- Increase bookings at its official hotel by 75% to 250 room nights
- Generate projected sales of 300 short films, worth \$300 thousand
- Generate an estimated \$1.4 million in tourism revenue from out-of-town visits for the hospitality industry, up 19% over 2003.

## LESSONS LEARNED

T03 has developed a keen understanding of the challenges in tourism recovery over the course of its mandate. The lessons it has learned will hopefully benefit Tourism Toronto and other organizations and government agencies involved in marketing and promoting the Toronto region on an ongoing basis.

- **The Toronto region, above all, needs a strong brand identity.** Separate tourism recovery efforts in the region were fragmented because of branding by different parties. In the absence of a strong brand identity for Toronto, each party developed its own brand to fill the short term need. In light of this, T03 chose the 'Summer in the City' theme as an umbrella for its event-driven promotions in the summer of 2003, under which other brands could co-exist. 'Summer in the City' was not designed to be an enduring brand identity.

Because T03 strongly believes that clear, consistent, compelling branding is critical to successful recovery of tourism post-SARS it recommended that a portion of its unspent funding (approximately \$1 million) be contributed to a Toronto branding effort. This effort is currently underway under the joint

leadership of the City of Toronto, Tourism Toronto, the Province of Ontario, and T03. Kevin Shea, T03's CEO, is representing T03 on the branding effort on a voluntary basis.

- **The Toronto region's brand needs to be managed by one body** that is responsible for the brand and for on-going marketing and promotion of the city region's image in a consistent way. Toronto has a major challenge ahead to continue the momentum created over the past year and reverse the long-term decline in its tourism market share. It can't afford to have its limited resources fragmented across different organizations or agencies, each carrying out potentially conflicting branded programs.
- **The Toronto region needs a higher level of sustained investment in tourism marketing** against all key segments – and new funding sources to enable that investment. The Toronto City Summit Alliance and the hospitality industry continue to recommend that legislation be changed to allow a 3% levy on hotel rooms, similar to that used by most other major North American cities, to help fund that essential investment. The industry is currently implementing a 3% levy on a voluntary basis which is a step in the right direction but potentially not sustainable.
- **The Toronto region needs a crisis management plan** with key pillars in place to expedite time to market in the event of future disasters like SARS. Toronto accounted for a third of the \$1.7 billion decline in Canadian tourism expenditures from March to end-December according to KPMG's Tourism Expenditure Monitor. Threats to the Toronto region affect Ontario and Canada- it represents 20% of Canada's GDP and roughly 40% of Ontario's GDP. T03 believes that we need to identify funding sources, and agree on roles and responsibilities going forward, to enable fast response to potential future crises facing the city region.
- **T03's activities demonstrated that:**
  - **PR is a greatly under-utilized lever.** As indicated earlier, strategic PR efforts significantly increased the impact of every activity that T03 supported. In total PR efforts generated well over 100 million impressions – many in major, influential publications in the US and Canada
  - **Packaging is an effective marketing tool to attract US tourists.** Consumers responded positively to T03's easy-to-purchase packages that provided affordable access to travel and hotels, and incentives to visit Toronto and surrounding regions' events and attractions
  - **There are benefits to bringing together a diverse group of civic leaders with strong connections to tourism.** The group that formed the Board of Directors for T03 and the management team that supported it (see Appendix III) had never been brought together before. It provided:
    - Venues for discussing, and helping attempt to coordinate the activities of the various government bodies and organizations involved in tourism in the region
    - A window on the status of the industry in Southern Ontario over the summer, fall and early winter
    - A useful sounding board for potential T03 activities
    - Oversight of spending versus budget as required by T03's private sector and government sponsors.
- **Combined efforts of T03, all levels of government, and regional events and attractions demonstrated that stimulating spending in the city region could help offset the loss of tourism dollars from the US, and that US tourism could be revived faster than predicted.** T03's assessment and assessments by other participating organizations<sup>4</sup>, clearly showed that a combination of efforts was

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<sup>4</sup> Examples of assessments by other organizations that have been involved in tourism recovery include: Toronto Staff Report to City Council on September 18<sup>th</sup> 2003 regarding their initiatives, including the ad campaign undertaken by the Mayor's 'Toronto You Belong Here Recovery Task Force'; Molson's assessment of the 'Molson Canadian Rocks for Toronto with the Rolling Stones Concert'; regular 'Recovery Updates' by the OTMP and its April 2004 report "Ontario's Tourism Recovery Program: Measuring the Benefits" that was prepared by PKF Consulting.

instrumental to successfully generating incremental spending on hotels, restaurants, attractions, and events by residents of the region and tourists.

## **APPENDICES**

**I. T03's Spending By Activity**

**II. Toronto's 'Ambassadors'**

**III. T03's Board Members and Management Team**

**APPENDIX I: T03'S SPENDING BY ACTIVITY**

	<b>Spend<sup>1</sup> (000's)</b>
<b>Activity</b>	
Stones/Kids Road Trip/other Direct Response Ad <sup>2</sup>	\$6,048
Fall Entertainment Package	\$1,831
Conan O'Brien	\$538
Branding	\$500 (to date)
Ambassador Program	\$289
Royal Agricultural Winter Fair	\$244
Hot Docs Film Festival	\$75
Worldwide Short Film Festival	\$75
First Night	\$50
<b>Total Spend by Major Activity</b>	<b>\$9,650</b>

(1) Includes media, agency fees and production  
 Note: See audited financial statements for more detail

(2) Events & Attractions featured in the ads included: The Rolling Stones Concert, Caribana, The Toronto International Film Festival, African Lion Safari, Art Gallery of Ontario, CNE, CN Tower, Casa Loma, Centreville, Ontario Place, Ontario Science Centre, Paramount's Canada's Wonderland, Santa's Village, Toronto Zoo, The Docks, The Royal Ontario Museum, Niagara Falls

## APPENDIX II: TORONTO'S 'AMBASSADORS'

Jeanne Beker – TV personality, writer and host of CITY-TV's internationally syndicated *Fashion Television*  
Ian Brown – CBC personality  
Maggie Cassella – CITY-TV's "Because I said so" host  
Paul Clifford – President of the Hotel and Restaurant Employees Union  
David Crombie – Toront03 Alliance board member, former Toronto mayor  
Deborah Cox – Singer  
Sean Cullen – Actor, *The Producers*  
Bill Derlago – NHL alumnus  
Art Eggleton – Toront03 Alliance board member, Liberal Cabinet Minister, former Toronto Mayor  
Enza "The Supermodel" Anderson – political activist  
Kevin Frankish – CITY-TV anchor  
Stew Gavin – former NHL player  
Jian Gimeshi – Host, CBC-TV's >Play  
Curt Harnett – Canadian Olympic cyclist  
Susan Hay – Global TV News  
Jessica Holmes – Comedian  
Jamie Kastner – CBC personality  
Peter Kent – Global TV anchor  
Dr. Joe MacInnis – Explorer, best selling author and collaborator with film director James Cameron  
Nik Manojlovich – Host, *Savoir Faire*  
Dr. Lorna Marsden – President of York University  
Gord Martineau – CITY-TV anchor  
Pat Mastroianni – Actor, *Degrassi the Next Generation*  
Miriam McDonald – Actor, *Degrassi the Next Generation*  
Deb McGrath – Comedian  
Jacqueline Milczarek – Global-TV anchor  
Denzil Minnan Wong – Toront03 Alliance board member, Toronto City councillor  
Colin Mochrie – Comedian  
Mark Napier – former NHL player  
Seamus O'Regan – Canada AM anchor  
Charles Pachter – Artist  
Steve Paikin – TVO Studio2 Co-host  
Dominic Patten – CTV host  
David Pecaut – Chair of Toront03  
Gordon Pinsent – Actor  
Leslie Roberts – Global TV anchor  
Harry Rosen – Founder of Harry Rosen  
Albert Schultz – Actor, founder Soulpepper Theatre  
Trish Stratus – WWE Superstar  
Paula Todd – TVO Studio2 Co-host  
Rick Vaive – former NHL player  
Liz West – CITY-TV entertainment personality  
Galen Weston – Chairman and President, George Weston Limited  
Hilary Weston – Former Lieutenant Governor of Ontario  
Jerome Williams – Toronto Raptor  
Ted Woloshyn – CFRB radio host

## **APPENDIX III: T03'S BOARD MEMBERS AND MANAGEMENT TEAM**

### **Board Of Directors**

- Elyse Allan: CEO, The Toronto Board of Trade
- Michael Beckerman: Sr. VP and Chief Marketing Officer, BMO Financial Group
- Ken Black: President, The Muskoka Heritage Foundation; former Ontario Minister of Tourism
- Colleen Blake: Executive Director, Shaw Festival
- Noel Buckley: President, Niagara Falls Tourism
- Gordon Carncross: VP, Starwood Hotels & Resorts Canada
- John Cassaday: CEO, Corus Entertainment
- Antoni Cimolino: Executive Director, Stratford Festival of Canada
- Paul Clifford: President, Hotel and Restaurant Employees Local 75
- Charlie Coffey: EVP, RBC Financial Group
- David Crombie: CEO, Canadian Urban Institute and former Mayor of Toronto
- Art Eggleton: Former member of Federal Parliament and former Mayor of Toronto
- Dennis Freeman: Partner, KPMG
- Kevin Garland: Executive Director, National Ballet
- Frances Lankin: President and CEO, United Way of Greater Toronto
- Sandra Levy: Director, Corporate Affairs and Donations, Magna International
- Lesley Lewis: CEO, Ontario Science Centre
- Fred Luk: Owner, Filet of Sole Restaurant Group
- Bruce MacMillan: President and CEO, Tourism Toronto
- Roberto Martella: Owner, Grano Restaurant
- Denzil Minnan-Wong: City Councillor Don Valley East
- Ratna Omidvar: Executive Director, Maytree Foundation
- David Pecaut: Chair, TO3 Alliance and Toronto City Summit Alliance
- Courtney Pratt: CEO, Stelco
- Kevin Shea: CEO, TO3 Alliance
- Ron Starr: President, Deanlee Management Inc.

### **Management Team**

- Kevin Shea, CEO
- Ed Piotrowski, CFO
- Anne O'Hagan, Communications Director
- Chantal Payette, Digital Media Director
- Christine Sharp, Marketing and Promotions Director