

RIDEAU HERITAGE ROUTE
TOURISM ASSOCIATION

BUSINESS PLAN

January 2006



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Appendix A) attached - Summary of RHRTA Marketing Initiatives 2006-2007

1. EXECUTIVE SUMMARY

The Rideau Heritage Route Tourism Association (RHRTA) is a Destination Marketing Organization (DMO) mandated to promote the Rideau Heritage Route (RHR) by developing marketing, communications and promotional programs. The RHR, comprised of the Rideau Canal, its adjoining towns, villages and the Cities of Ottawa and Kingston, offers a variety of world-class arts and heritage experiences. The fact that the story of the Rideau Canal is, in part, the story of the creation of Canada itself, reinforces the significance of the RHR.

The overall goal is to position the entire RHR Corridor as a tourism destination by promoting the region's authentic, arts, heritage, cuisine, agri-tourism and natural history experiences with specific objectives as listed below.

- **To create a climate that stimulates tourism investment, development, marketing and other activities along the RHR Corridor enhancing the quality of the visitor experience.**
- **To provide direction and assist in the development of tourism products along the RHR.**
- **To promote tourism in the RHR Corridor.**
- **To increase tourism revenues in the RHR Corridor.**

In 2004, Parks Canada and the Ontario Ministry of Tourism in association with the Cities of Ottawa and Kingston and other tourism stakeholders throughout the Rideau region, determined that an initiative would be launched to capitalize fully on the region's cultural tourism assets. Thus, the Rideau Cultural Heritage Corridor (RCHC) initiative was born. A Situation Analysis, a Positioning Strategy and a Communication Strategy were developed from the RCHC initiative and continue to provide direction for the RHRTA.

The RHRTA will also highlight a Parks Canada strategy that includes an anticipated UNESCO World Heritage Designation to coincide with the 175th anniversary of the completion of the Canal, which occurs in 2007. This initiative offers great economic potential for rural and urban communities' business sectors along the route that rely heavily on the tourism sector for jobs, enhancing the quality of life and the viability of their businesses. Investment into the RHRTA is especially significant with current Rideau Canal visitation showing signs of growth in a period of declining market share making this attraction a definite potential economic generator for the entire region.

The RHRTA will steer these efforts in order that all stakeholders and partners are working in the same direction so that valuable, limited resources are focused and used effectively.

2. ASSOCIATION PROFILE

2.1 About the RHRTA

Founded and incorporated in early 2005, the RHRTA is a not-for-profit, partner-based organization that will seek to promote its municipalities and private sector partners from the accommodation, attraction, restaurant, outdoor experience, festivals and entertainment industries. Its role is to promote the destination, increase visitation, develop the industry and enhance the industry's economic impact.

2.2 Objectives

- To create a climate that stimulates tourism investment, development, marketing and other activities along the RHR Corridor enhancing the quality of the visitor experience.
- To provide direction and assist in the development of tourism products along the RHR.
- To promote tourism in the RHR Corridor.
- To increase tourism revenues in the RHR Corridor.

2.3 Partnership

The RHRTA has three levels of Partnership, namely organizations/associations, government and business interested in furthering the objectives of the Association. Partners are eligible for nomination and election as Board of Directors or Officers of the Association and eligible to serve on committees, sub-committees, working groups, task forces and advisory councils. Partner Municipalities, the Ministry of Tourism and Parks Canada will each have one standing member designated to the board.

GOVERNMENT	ORGANIZATIONS	BUSINESSES
 The City of Ottawa The County of Lanark Township of Drummond North/Elmsley Township of Montague The Municipality of Merrickville/Wolford The Municipality of North Grenville The Township of Rideau Lakes The Corporation of the Town of Perth The Corporation of the Town of Smiths Falls Township of Tay Valley The Corporation of the Village of Westport The City of Kingston Parks Canada The Ministry of Tourism & Recreation	 i.e: • Destination Marketing Fund Accommodation Partners (DMF) • Tourism Associations • Chambers of Commerce • DMOs • BIAs	 i.e: • Attractions • Hotels/Inns/B&B • Restaurants • Transportation

2.4 Governance

In 2005, the RHRTA was governed by a Board of Directors made up of representatives from its founding member communities.

RHRTA founding Board members (2004-2005)

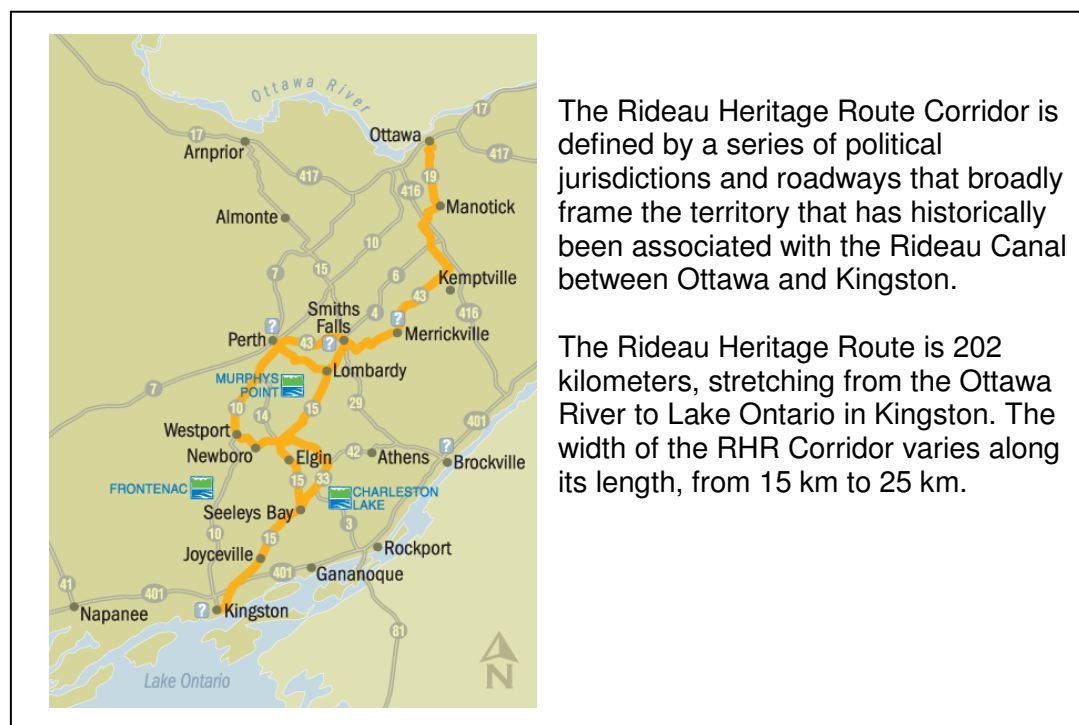
Irv Mazurkiewicz, Parks Canada
Chris Empey, Lanark County Tourism
Ian Johnston, Rural Leeds 2000 (EDC)
Anne de Gobeo, Merrickville Chamber of Commerce
Chuck Hudson, Town of Smiths Falls
Wendy Chapman, North Grenville Chamber of Commerce

Beginning in 2006, the Association will be governed by a Board of Directors consisting of appointed Municipal representatives and Private sector Partners. Private sector partners are to be appointed to the Board of Directors for 2006 and will serve until the election at the fall Annual General Meeting. Individual partner representatives will be elected by vote of the Partners of the Association at the fall Annual General Meeting (AGM) of the Association. Board of Directors representing organizations shall be appointed as prescribed in the By-laws and Officers of the Association shall include a President, a Vice-President, a Corporate Secretary and a Treasurer. The Association and all its officers are governed by Documents of Authority consisting of a Constitution, By-laws and Board policies. (see attached)

2.5 Management & Organization

A full time Executive Director will be hired on contract to manage the association and will report directly to the Board. The position will be based along the route with frequent travel throughout the entire Rideau Heritage Route.

2.6 RHRTA Corridor Location



2.7 Transportation Links

Road

Three major highways link the RHR Corridor with major markets. Highway 401 passes immediately north of Kingston and connects that city and the RHR to both Toronto and Montreal and Highway 416 (Veterans Highway) links Hwy 401 to Ottawa and the RHR from the North. Each city is approximately 250 kilometers from Kingston. Additionally, Highway 417 links Ottawa and Montreal, a distance of approximately 190 kilometers and the Trans Canada Highway (Hwy 7) links to the Corridor at Perth. There are three U.S. border crossings located off Highway 401, east of Kingston at Ivy Lea, Ogdensburg and Cornwall.

Rail

VIA Rail operates passenger train service between Ottawa and Kingston with some stops in Smiths Falls. The travel time by VIA from Ottawa to Kingston is approximately two hours. VIA Rail also provides service from Ottawa to Montreal, and from Kingston to Toronto.

Water

Traversing the RHR by water is accomplished via the Rideau Canal, with access via Lake Ontario (at Kingston) and the Ottawa River (in Ottawa). The entire journey can take from three days to a week or more. There is also an International water entry point between Canada and the U.S. via a ferry system between Cape Vincent, NY and Wolfe Island, Ontario then over to Kingston, Ontario. Entering the Rideau Canal via numerous connecting lakes and rivers creates wonderful paddling opportunities.

Air

Ottawa International Airport is serviced by 16 passenger airlines offering direct service to 11 major Canadian cities, numerous American hubs and International destinations such as Glasgow and London. Norman Rogers Airport, located in Kingston, is serviced by Air Canada Jazz offering five daily flights to Toronto. Additionally, the Smiths Falls/Montague Airport and the Westport/Rideau Lakes Airport service small, private aircraft. Floatplanes also offer access to the Rideau.

Trails

Two major trail systems traverse the Rideau Heritage Route at several points; The Rideau Trail and the Cataraqui/Trans Canada Trail.

3. ECONOMIC & INDUSTRY OVERVIEW

3.1 Tourism Trends

In Canada

- Canada now ranks seventh in world tourism destinations (2002).
- Total tourism revenue nationally \$54.1 billion.
- Tourism as a percentage of the Gross Domestic Product (GDP) 2.4%.
- Six major Canadian Tourism markets: Domestic, US, UK, Japan, France & Germany.
- Domestic travel within Canada remains the backbone of the Canadian tourism industry.

In Ontario

- Ontario's tourism visitor expenditures were \$17.9 billion in 2002.
- 53% of Canada's total visitors came from Ontario.
- Ontario acts as a major gateway to Canada – 86% of US travelers coming into Ontario are the Drive market.
- In 2003, international border crossings into Ontario decreased by 16.6% over 2002.

Eastern Ontario

- Rideau Canal visitation is showing signs of growth in a period of declining market share making this attraction a definite potential economic generator for the entire region. (see Table 2, pg 8)
- Overall visitation to Eastern Ontario (Census Divisions 6, 7, 9, 10) decreased by 9% in 2003 over 2002.
- Eastern Ontario visitation by Ontario residents also decreased by 9% for the same period and US visitors decreased by 8.3% and International visitors by only 7.1%. (see Table 1, pg 7)
- Despite overall visitation decreases to the region in 2003, the Rideau Canal enjoyed a 5.6% increase in boater traffic from Ontario and a substantial increase of 7.6% from Quebec residents.

Table 1

Annual VISITATION to Frontenac County, Lanark County, Ottawa-Carleton and Leeds & Grenville			
Census Divisions 6,7,9,10		Source: Statistics Canada	
PLACE OF ORIGIN	2001	2002	2003
Ontario	9,118,000	9,769,000	8,840,000
Other Canada	1,830,000	2,175,000	2,112,000
US	1,777,000	1,862,000	1,533,000
Overseas	630,000	604,000	428,000
Total visitation	13,355,000	14,410,000	12,913,000
Total spending	n/a	\$ 1,882,954,000	\$ 1,687,686,000

Table 2

Rideau Canal Visitors		Source: Parks Canada			
Boaters/ Lock use	2001	2003	2004	2005	
Ontario	60%	65.6%	60.2%	64.4%	
Quebec	14%	21.6%	27.5%	24.7%	
US	24%	12.6%	12.1%	10.6%	
Other	2%				
Total	100%	100%	100%	100%	
		2003	2004	2005	
Total Land Based canal visitors		1,480,539	1,617,809	1,493,880	

3.2 Cultural Industry Trends

- 81% of Ontario's overnight cultural tourists (who represent 68% of all overnight cultural tourists in Ontario) do not travel with children.
- In 2002, Toronto captured 28% of Ontario's overnight cultural visitors, Niagara captured 18%, and the Ottawa region captured 12%.
- There will be 85 million North Americans aged 55 to 74 possessing health, leisure time, and the financial resources to drive the market demand for cultural tourism experiences.
- Internet use is more pronounced among culturally oriented travelers than the overall traveling public. Among frequent cultural travelers, 58% report using the Internet for planning trips.

3.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

The following is a summary of the RHR's strengths, weaknesses, opportunities and threats. (a detailed analysis is available in the 2005 Rideau Heritage Corridor Situation analysis)

Strengths

- Cluster of world-class arts and heritage experiences, anchored by the Canal itself and by Canada's National cultural institutions in the City of Ottawa.
- Kingston, "The Limestone City" is built on a solid bed of limestone and boasts an impressive collection of 19th-century architectural gems and historic limestone buildings.
- As the "backbone" of the Corridor, the Rideau Canal provides a cohesive cultural element.
- Canada's current capital, Ottawa to the north.
- The original capital of a United Canada, Kingston to the south.
- Regarded as a First Class North American cultural tourism corridor.
- Strong appeal to cultural travelers with natural history experiences. (ie: War of 1812)
- 150-plus attractions, sizeable institutions and festivals.
- Air connections in and out of the Corridor are excellent, particularly via Ottawa
- VIA Rail's Montreal-Ottawa-Kingston-Toronto service has corporate partnership potential.
- Proximity to Montreal for innovative packaging and marketing initiatives.
- Two major trail systems, the Rideau Trail & the Cataraqui/Trans Canada Trail.

Weaknesses

- Canal signage is modest and discrete.
- Outside of Ottawa and Kingston the RHR's accommodation & cuisine infrastructure is weak.
- Weak agri-tourism with few operators capitalizing on this growing trend.
- Weak aboriginal product affecting the RHR's appeal to the overseas market.
- No current resource to help raise the RHR's cultural experiences to market-ready status.
- The vast variety of landscapes creates a branding challenge.

Opportunities

- Funding and Marketing resources from Federal and Provincial Government agencies ie: Canadian Heritage, Canadian Tourism Commission (CTC) Product Club, Ontario Tourism Marketing Partnership (OTMP), Ontario Heritage Foundation)
- The Canal affords a unique window for interpreting Canada's origins as a nation. (animation)
- The anticipated UNESCO World Heritage Designation in 2007.
- The Rideau's 175th anniversary in 2007 and the legacy beyond.
- Integrate RHR products into mainstream tourism programs.
- Recent hotel occupancy taxes introduced in Ottawa and Kingston could be funding sources.
- Marketing to the Visiting Friends and Relatives (VFR) segment, the RHR's largest visitor population.
- Market the existing resorts.
- Significant opportunity for a regional cultural tour operator, based in Ottawa or Kingston.
- Opportunities to develop learning-based experiences that create new revenue streams.
- Proximity to major markets in U.S. and Quebec.
- The Chinese market.

Threats

- Currently soft U.S. demand for travel to Canada.
- Escalating gas prices –a psychological barrier can be breached & people will travel less.
- Environmental threats to waterways and wildlife.
- Non-participation among communities and DMO's.
- Competition from other Ontario travel destinations.
- Passport requirements for travelers from the U.S.

4. Marketing Strategy 2006-2007

4.1 Objectives

- To provide industry leadership, strategic direction and destination marketing of the Rideau Heritage Route Corridor in cooperation with members and partners.
- To develop and build awareness of the Rideau Heritage Route as a world-class year-round destination.
- To assist in the development and market the cultural tourism experiences located along the RHR, from Ottawa to Kingston, inclusive.
- To position Kingston, Ottawa and the entire RHR Corridor as a cultural destination by promoting the region's authentic, market-ready arts, heritage, cuisine, agri-tourism and natural history experiences.

4.2 Brand Name, Logo and Positioning Statement

The first step in developing the RHRTA marketing campaign is to develop the RHR's brand identity and positioning. The creative agency selected for the RHRTA will develop the actual brand, including the brand name for the RHR Corridor, the logo, and the positioning statement.

These three elements of the brand - the brand name, the logo, and the positioning statement – should have a consistent presence in all RHR marketing, promotion, and communication materials developed for consumers, the travel trade, media, and RHR stakeholders. Similarly, all photographic images used in association with the brand should be used in a consistent and integrated manner.

All marketing collateral - from the web site, to the visitor guide, to rack cards - should speak a design language that is engaging. The brand should appeal strongly to the senses. Messaging and imaging will emphasize learning, enrichment, romance, and play. The brand will be developed in collaboration with a creative agency keeping in mind the following guidelines:

- The use of dramatic design elements and striking artistry
- A strong appeal to the senses of taste, touch, hearing, and smell
- Messaging and imaging that emphasizes learning and enrichment in a playful context
- Messaging and imaging that emphasizes romance
- A distinct "creative edge" to all marketing collateral

4.3 Target Markets

- Initially focus on Culture and Heritage oriented baby boomers followed by culturally oriented matures (i.e., ages 55 to 74), and the culturally oriented ages 25-to-40 market.
- Potential RHR visitors are comprised of three age groups, with an educational and income profile that is above the average found among other leisure travelers.
- The market includes singles and couples but the singles market is skewed toward women.
- Traveling arts tourism enthusiasts are much more likely to be women than men.
- A majority of Canadians over the age of 55 now have Internet access and are using the Internet for travel planning, decision-making, and booking reservations.

RHRTA GEOGRAPHIC TARGET MARKETS

	DOMESTIC DRIVE MARKET	DOMESTIC MARKET	US MARKET	OVERSEAS
Primary	GTA & Montreal	Province of Ontario	NY, NJ, New England states	UK, France, Germany
Secondary	Eastern Ontario	Province of Quebec & Atlantic Canada	PA, MI, Ohio & Illinois,	Japan & China

4.4 Consumer Market Focus

The RHRTA marketing campaign will be targeted primarily at consumers. Cultural attractions, accommodation and restaurants will be profiled in the RHRTA's marketing collateral and on the web site, allowing travelers to build their own itineraries and make their own reservations. Once the Rideau product is secure in the tourism marketplace, and the mainstream package tour industry sees the success of the product, a concerted effort can then be undertaken to engage mainstream operators.

4.5 Seasonality

The RHRTA marketing campaign will be a four-season effort with a strong emphasis on the currently strong Summer & Fall seasons. Marketing a critical mass of cultural experiences within a single brand and marketing campaign - will grow the volume of visitations to the RHR Corridor during the tourism "off-season", particularly to the cities of Ottawa and Kingston.

4.6 Distinctive Cultural Themes

The RHR will be marketed as a "tapestry of experiences" centered around seven distinctive culture/heritage themes that reveal the unique history and culture of the entire Rideau region. The RHR marketing collateral could feature these seven themes:

- Story of a Nation
- Adventures in Discovery
- Celebrations and Diversions (events)
- Curtain Rising (theatre)
- Colours along the Rideau
- A Day in the Village
- Peaceful Solitudes

5. MARKETING PLAN

5.1 Overview

A range of marketing vehicles, promotions, and communications strategies facilitates the visitor encounter with the RHR. Along the Rideau, visitor information centres will highlight local products. Additional partnerships to market the Rideau Corridor will be negotiated with other tourism partners including Ottawa Tourism, Kingston Economic Development Corporation, Ontario Tourism Marketing Partnership and Destination Marketing Fund managers (DMF).

5.2 Annual Campaigns

YEAR ONE / 2006

2006 is a developmental year laying the ground-work for increased campaigns in the future. A few cooperative initiatives were developed that include editorial mention in several area Visitor Guides informational presentations throughout the corridor, a signage program and OTMP's Great Fall Drives. The sole print vehicle for the 2006 campaign will be a RHR Corridor lure brochure, to be distributed throughout the region and across through the Ontario Travel Information Centres. (for details see Appendix A – Marketing Initiatives Summary)

Cost of 2006 campaign: \$143,350

YEAR TWO / 2007

The 2007 campaign will be an Internet-based campaign. It will rely on the RHR web site, a corresponding e-marketing strategy and the printing of an inaugural RHRTA Visitor Guide.

Cost of 2007 campaign: \$167,200

6. OPERATING BUDGET

Proposed 2006-2007 RHRTA BUDGET			
Revenue	PARTNER REVENUE		
		2006	2007
	Federal (\$78,000)		
	Valley Heartland CFDC	23,000	3,000
	Other CFDCs (1000 Islands, Leeds)	5,000	10,000
	Parks Canada	50,000	50,000
	Provincial (\$50,000)		
	OTMP Industry Partner Program (IPP)		10,000
	Ministry of Tourism & Recreation (IDO)	50,000	50,000
	Trillium Foundation (OLGC)		<i>10,000</i>
	Municipal (\$102,500)		
	City of Ottawa	25,000	25,000
	City of Kingston	20,000	20,000
	Town of Smiths Falls	10,000	10,000
	The County of Lanark	10,000	10,000
	Township of Rideau Lakes	10,000	10,000
	United Counties of Leeds & Grenville	10,000	10,000
	Corporation of the Town of Perth	6,000	6,000
	Municipality of North Grenville	5,000	5,000
	Village of Westport	2,000	2,000
Municipality of Merrickville/Wolford	2,000	2,000	
Township of Drummond North Elmsley	1,000	1,000	
Township of Tay Valley	1,000	1,000	
Township of Montague	500	500	
Tourism Operators			
Visitor guide advertising sales		35,000	
Cooperative ads - Print campaigns	0	15,000	
Total Revenue	238,500	300,500	
Expenses	EXPENSES		
	Admin overheads		
	Exec Director (wages & benefits)	70,000	80,000
	Admin support	12,000	35,000
	Office equipment, stationery	7,000	7,000
	Travel, mileage	4,000	10,000
	Professional Contractors	80,500	15,000
	Event/ Meeting Expenses	8,700	20,700
	Advertising	38,000	47,000
	Communication collaterals	13,500	76,000
	Memberships	1,650	2,000
	Resale materials		5,000
	Miscellaneous		1,000
Total Expense	236,350	298,700	
Surplus/(Deficit)	2,150	1,800	

7. APPENDICES

- A) Summary of RHRTA Marketing Initiatives 2006-07 (attached to RHRTA Business Plan)
- B) RHR Constitution & Bylaws
- C) Rideau Cultural Heritage Corridor Situation Analysis
- D) Other supporting documentation

Appendices B,C & D are available upon request.

APPENDIX A)

Summary of Proposed RHRTA Marketing initiatives 2006-07

ITEM	Cost		Details
	2006	2007	
Professional Contractors			
Branding	5,500	0	Costs incurred only in start up year
Signage development	20,000	10,000	Design & production of signs
Website development	55,000	5,000	Upload creative, architecture & tracking mechanisms
	\$80,500	\$15,000	
Event/Meeting Expenses			
Travel Media Shows & events	500	5,500	ie: Canada Media Marketplace, TMAC show & events
Travel Trade Shows	1,000	4,000	ie: Rendezvous Canada, Ont-Que Marketplace
Consumer Shows	1,000	2,000	
Familiarization Tour costs	1,200	4,200	
Media Relations	5,000	5,000	
	\$8,700	\$20,700	
Advertising			
Regional Visitor Guide ads			ie: Ottawa, Kingston, 1000 Islands, Ottawa's Countryside
Provincial brochure ads			ie: Summer OTMP guide ad, Summer & Fall Great Drives
Boating guide ads			ie: Ontario East boating, Rideau Canal Boating,
Co op newspaper campaign			Cooperative advertising in GTA & Montreal weekly papers
	\$38,000	\$47,000	
Communications Collaterals			
Visitor Guide printing	0	60,000	1st RHRTA Visitor guide produced in 2007
Lure brochure	5,000	2,000	Large printing of 1st edition - minimal reprint in yr 2
Brochure distribution	1,500	4,000	Mailing and racking costs for brochures
Toll free line	2,000	4,000	Install toll free # for incoming North American calls
Web strategies (banners)	1,500	4,000	Ontariotravel.net & Real Ontario, Google key select
Stationery/ Logo items	3,500	2,000	Business cards, letter head, lapel pins
	\$13,500	\$76,000	
Memberships			
TMAC	150	150	Travel Media Assoc of Canada
TIAC	1,500	1,500	Tourism Industry Association of Canada
Local Associations		350	
	\$1,650	\$2,000	
Resale Materials		5,000	Purchase of logo souvenirs for resale (revenue opportunities)
Miscellaneous	1,000	1,500	New advertising opportunities or market increases
Total Expenses	\$143,350	\$167,200	(excludes staffing & office expenses)