

TOURISM COMPETITIVENESS STUDY SUBMISSION TO GREG SORBARA

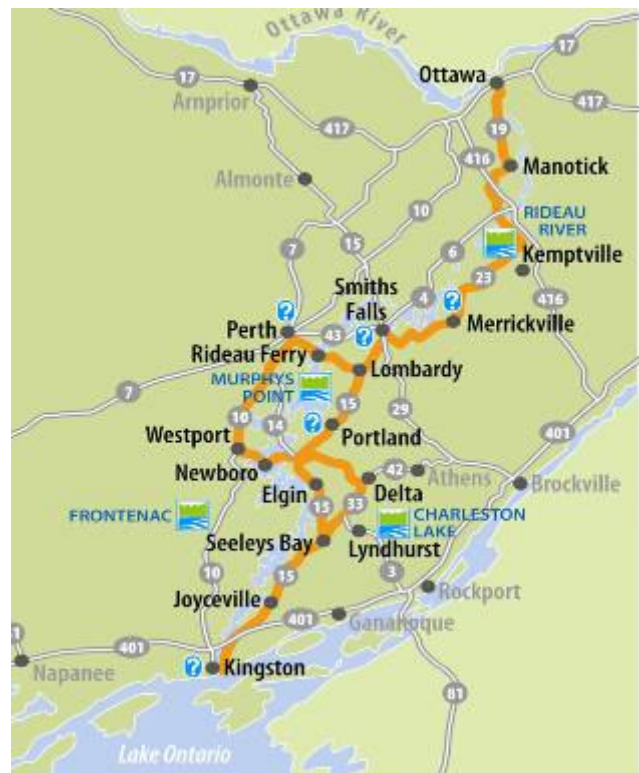
September 30, 2008

Rideau Heritage Route Tourism Association (RHRTA)



BACKGROUND

The Rideau Heritage Route Tourism Association is an incorporated Destination Marketing Organization mandated to promote the entire Rideau Corridor from Kingston to Ottawa along both sides of the Rideau Canal, Ontario's only UNESCO World Heritage Site. RHRTA's partners include 10 municipalities, Parks Canada, the Ontario Ministry of Tourism, Community Futures Development Corporations, local Chambers, BIAs, Heritage associations and over 3,000 tourism businesses throughout the region. The RHRTA completed a Cultural Heritage Tourism Report in 2004 that provided much of the guidance for the development of the association. A volunteer board of directors guide the association and there are 2 contract staff; an Executive Director and a Marketing Coordinator. Partner Municipalities and Parks Canada currently provide the base funding that is leveraged over 7 ½ times with matching funds from grants and investments into cooperative marketing programs by tourism partners.



THE MARKET

VISITS & VISITORS

- 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.
- The Rideau Heritage Route region of Eastern Ontario is made up of Ottawa and large sections of Frontenac, Leeds & Grenville and Lanark Counties (Census Divisions 6, 7, 9, 10).
- According to the chart on page 17 on the Tourism Competiveness report, there are 13.7 million visitors to this region which is higher than the 13.5 million visits to the Niagara region.
- Despite overall visitation decreases to the region in 2004, the Rideau Canal enjoyed a 5.6% increase in boater traffic from Ontario and a substantial increase of 7.6% from Quebec.
- RHRTA Visitation Origin is 68% Ontario, 16% Quebec, 12% US, 4% International (source: 2004 Stats Canada)
- Visiting Friends and Relatives (VFR) segment is the RHR's largest visitor population.

RHR TOURISM PARTNER VISITATION

- Rideau Acres Campground along the Rideau Canal reports an increase in occupancy this summer over 2007 made up of 80.5% Canadian, 6% US and 13.5% International with the UK ranked #1 followed by Germany.
- Classic Rideau Cruises saw an increase of 22% in passengers this year over 2007 despite the wet summer of 2008.
- Fort Henry National Historic Site in Kingston reports an increase in visitors from Canada and International markets while the US market was flat. The German & Asia-Pacific Countries were the significant growth markets.

THE PRODUCT – along the Rideau Heritage Route

GAPS IN RIDEAU PRODUCTS & SERVICES

- Organized tours (cycling, paddling, hiking, by boat, by rail)
- Itineraries and packages
- Outfitters (rentals for canoes, kayaks, bicycles and other equipment)
- Receptive operators
- Waterfront dining
- Boat hire companies (Cabin cruisers, houseboats, narrow boats)
- Accommodation capacity (in central part of the region)
- Regular programming

CHALLENGES FOR RHR

- Working together cooperatively (4 counties, 10 municipalities)
- Competition with other travel destinations
- Sustainable Product Development
- Funding

OPPORTUNITIES

- Proximity to Montreal for marketing to the French outdoor enthusiast market (boating).
- The Canal affords a unique window for interpreting Canada's origins as a nation. (animation)
- The Rideau's 175th anniversary was in 2007 and the 180th will be in 2012 which coincides with the War of 1812 Celebrations.
- Development of a Bike Train (similar to the Niagara program)
- Significant opportunity for a regional cultural tour operator, based in Ottawa or Kingston.
- Opportunities to develop learning-based experiences that create new revenue streams.
- The Chinese market once ADS with Canada is approved.
- Develop paddling routes and cycle routes.

THE STORY - HOW TO MARKET

DISTINCTIVE CULTURAL THEMES

The Rideau Heritage Route is marketed as a “tapestry of experiences” centered around four distinctive themes that reveal the unique history and culture of the entire Rideau region:

- Story of a Nation
- Celebrations and Diversions (events, re-enactments, theatre)
- Colours & Flavours along the Rideau (Great Fall Drives, Maple Syrup, Cheese factories)
- A Day in the Countryside (historic villages, paddling, cycling & hiking adventures)

STRENGTHS of the Rideau Heritage Route corridor - Best potential for growth

- Ontario's Only UNESCO World Heritage Site - The Rideau Canal, Fort Henry & the Kingston Fortifications (designated June 2007) This designation appeals strongly to the International markets especially, Germany, France, UK, China & Australia as they include World Heritage Sites in most of their travel plans.
- 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” and Canada's first Capital boasts an impressive collection of 19th-century architectural gems and historic limestone buildings.
- 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
- Proximity to Montreal and near border US markets.
- Two major trail systems, the Rideau Trail & the Cataraqui/Trans Canada Trail.

BEST OPPORTUNITIES FOR MARKETING

- Continue working closely with OTMP's marketing initiatives such as Great Fall Drives, microsites and My Ontario Travel Guide.
- Continue working closely with Direction Ontario's francophone marketing programs such as “Club Alliance” and “Guide de vacances”.
- Enhance and expand the relationship with RHR and the 1000 Islands St Lawrence Marketing Partnership.

FUNDING – Our recommendations

- There is a need for flexible cooperative marketing funding programs that are tailored to each destination's key markets. Destinations could provide OTMPC with their marketing plan and then be assigned a ministry liaison person to work with that destination to identify the best fit for cooperative marketing programs.

BEST PRACTICES

The RHR would like to share some lessons learned and other good information we have garnered through discussion with industry peers & partners and attendance at International conferences.

• CASE STUDY #1

Hadrian's Wall was the most important structure built by the Romans in Britain and was named a UNESCO World Heritage Site in 1987. It spans 73 miles across central Britain and features thriving market towns, historic parishes, the 2000 year old City of Carlisle and an abundant nature area. Once designation was received they created a Tourism Partnership made up of municipalities, local tourist boards, heritage councils and National parks. They then went to the Northwest Development Agency with a 10 year business plan which was funded and has now evolved into “Hadrian's Wall Heritage Ltd”. The new Company is responsible for branding, marketing and leading on the development of higher quality facilities for visitors, ensuring all developments are sustainable and ensuring as many visitors as possible use sustainable transport options. They stress that animating will be key to success.

www.hadrians-wall.org

- **CASE STUDY #2**
At a recent World Canals Conference held in Kingston, the audience heard about some very successful targeted tax incentive programs. The governments of Shannon Ireland created “Tax Incentive Zones” to facilitate the development of tourism infrastructure in the identified region (within 15 km from both sides of the waterway). They provided funding guidelines for eligible activities and tax incentives on a 3-7yr basis with a goal to increasing the seasonality and the capacity of the region as a tourism destination.
- **CASE STUDY #3**
The Hudson River Valley is a 150-mile tourism region rich in culture, history and recreational resources along the Hudson River in New York State. The Hudson River Valley National Heritage Area was established by Congress in 1996 and is one of 40 federally designated Heritage Areas, funded through the National Park Service and Department of the Interior by annual appropriations. The Hudson River Valley National Heritage Area Program develops tourism in the region and markets the destination. They have grown to a staff of 8 and a management committee of 35. The sunset date for legislation and appropriations is September 2012. www.hudsonrivervalley.com

VISITOR SERVICES

The RHR does not directly manage a travel information centre but works in cooperation with the current centres throughout the region including the Ontario Travel Centres to distribute travel guides, maps and other information. The RHR would like the Ministry of Tourism to entertain the development of joint usage agreements with each region for the delivery of services at Ontario Travel Information Centres. This could be done through consultation with the region’s DMOs and current travel information service providers.

THE PEOPLE

TRAINING

The RHR envisions a region wide Tourism Professional Program that would be made up of 2 main elements: OTEC’s Service Excellence training and a localized product knowledge initiative that would familiarize all front line tourism personnel with the attractions and tourism products within their region. A self guided familiarization tour passport could be created with buy in from the local tourism industry to provide free access for the participants of this program. Once a participant completes the program they are a certified “Tourism Professional”. The development of this program could be funded and should be reasonably priced so it can be offered to as many front line personnel including non-traditional businesses such as taxi cab companies, gas stations, fast food restaurants and others. Once developed this model could then be adopted by other regions throughout the Province.

THE TOOLS

GOVERNMENT ROLES

Governments definitely need to play a role in providing a marketing partnership vehicle and in the development of a destination but they can only set the frame work for the development and the private sector must then generate the wealth for that region.

GOVERNMENT PROGRAMS

Since the tourism industry works with numerous ministries there could be an inter-ministerial office that acts as a central “clearing-house” for information about grant programs and for vetting new funding applications. Affected ministries could include OMAFRA, Tourism/ IDO, OTMP, Culture & Recreation. This would assist in breaking down the current silos and facilitate the flow of information between ministries and to the industry.

INFRASTRUCTURE PRIORITIES

Priority for infrastructure projects should be given to initiatives occurring in identified development zones which offer the best opportunity for growing and enhancing Ontario's product offering. Destinations that have completed the Premier Ranked exercise coupled along with having a robust tourism development plan should be in a better position to apply for infrastructure programs.

THE INDUSTRY

REPRESENTATION

- Tourism regions of the province need to have a voice on provincial tourism boards and the opportunity to be heard.

INVESTMENT

- In order for new destinations to develop there should be a detailed outline of next steps and a tool kit provided as a guideline. The Investment Development Office (IDO) of the Ministry of Tourism currently has the Premier Ranked exercise that provides a region with knowledge about their products & services but there is no clear program that outlines any future steps.

INDUSTRY CHANGES

- A great way to keep partners up to date is to continue hosting the annual tourism summit that brings together the industry which should include OTMPC, IDO, TIAO and Direction Ontario.

Submitted by:
Ian Johnston
President

Prepared by:
Anne Marie Harbec
Executive Director

Rideau Heritage Route Tourism Association
887 Old Colony Rd.
Kingston, ON K7P 1S1
Tel/Fax: 613-389-4783
info@rideauheritageroute.ca
www.rideauheritageroute.ca



RHRTA SUBMISSION TO GREG SORBARA